

**PROPOSED FISCAL YEAR 2002 BUDGETS FOR
THE DEPARTMENT OF THE INTERIOR AND
THE NATIONAL PARK SERVICE**

HEARINGS
BEFORE THE
COMMITTEE ON
ENERGY AND NATURAL RESOURCES
AND THE
SUBCOMMITTEE ON NATIONAL PARKS,
HISTORIC PRESERVATION, AND RECREATION
UNITED STATES SENATE
ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

TO CONSIDER THE PRESIDENT'S PROPOSED FISCAL YEAR 2002 BUDGETS FOR THE DEPARTMENT OF THE INTERIOR AND THE NATIONAL PARK SERVICE

MAY 8 AND 10, 2001



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PROPOSED FISCAL YEAR 2002 BUDGETS FOR THE DEPARTMENT OF THE INTERIOR AND THE NATIONAL PARK SERVICE

TUESDAY, MAY 8, 2001

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 9:40 a.m. in room SD-366, Dirksen Senate Office Building, Hon. Frank H. Murkowski, chairman, presiding.

OPENING STATEMENT OF HON. FRANK H. MURKOWSKI, U.S. SENATOR FROM ALASKA

The CHAIRMAN. The Energy and Natural Resources Committee will come to order. Let me welcome Secretary Norton. This is your first of what will undoubtedly be many, many appearances before this committee, but today we are going to talk about your Department's budget.

This marks, I do not know whether it is your 100th day or 98th day, but it is close enough, and I think you are off to a very good start. We had a little trip that some of us took with you, an extended weekend to Alaska, Senator Bingaman and I. I think we made a few historic decisions on that trip relative to, it is cold in Barrow in the winter, and I ended up with 30 pounds of muktuk by mistake because I grabbed the wrong box, and if you have not had muktuk lately, well, you do not know what you missed, but in any event it was a pleasure to have made that trip with you.

Now, we have got the problem of what your budget contains, and obviously the last appropriation for the Interior Department reflected a 20-percent growth in funding, and there is a question of whether that was sustainable. In any event, this budget reflects, I think, an important balance between fulfilling congressional mandates and keeping the Federal bureaucracy in check.

I am pleased that your budget highlights responsible development of energy resources on Federal lands. As you are well aware, we are in a serious energy crisis. We were talking last month about \$2 gasoline. Now we are talking about \$3 gasoline, and we are talking about conservation and various reliefs, but reality dictates that this is a crisis, and the question is, what can we do to make sure that it does not grow worse.

Policies in the past have put too many of our own energy resources off-limits and out of reach that could be available to this country, but with no one left to turn to, we are compromising our

foreign policy, certainly in my opinion, by our continued dependence on Saddam Hussein for energy.

We are watching our foreign imports climb to 56 percent, and the estimation from the Department of Energy is that it will be somewhere close to two-thirds within a decade or two. Our resources, oil, natural gas, and coal will be critically needed in the short term. We are going to have to address these problems with real solutions.

The budget, I think, requests additional funds for the Bureau of Land Management to conduct resource surveys, speed up the leasing process, perform inspections, and we will have funds with the help of your Department to ensure that Americans will be able to reach their own resources without damage to the environment from our own public lands, namely access.

Also, we recognize the importance of oil and gas production on the Outer Continental Shelf by increasing the budget of MMS and OCS leasing. In conservation programs, your budget also provides important funding for conservation responsibilities. It starts to address, again, the maintenance backlog of our national parks and creates innovative programs for public service partnerships to preserve and enhance wildlife habitat, and seeks to increase funding for State conservation programs.

In conclusion, I think it is very refreshing to have you as Secretary, one who believes in a multiple use of public lands, and not necessarily locking these lands up for public access. It is rather exciting to have a Secretary, I think, who trusts local communities and seeks local input in Federal land management decisions and, as Secretary, encourages public-private partnership to conserve natural resources and restore wildlife habitat. Again, may I congratulate you on your 100 days. We look forward to having you serve many more.

We are going to have three votes, and what I would like to do is limit opening statements to the ranking member and myself, unless there is any violent objection, or not too violent, or if you wish you may, but let us try it.

[A prepared statement from Senator Johnson follows:]

PREPARED STATEMENT OF HON. TIM JOHNSON, U.S. SENATOR FROM SOUTH DAKOTA

Mr. Chairman, I am pleased that we are taking the time to hold a hearing today on the President's budget proposals for the Department of the Interior. The Administration has made some effort to maintain or increase funding for vital programs that demonstrate our continuing responsibility to remain stewards of our land and natural resources. However, I have some concerns over several programs that are slated for reductions in the budget.

EROS FUNDING

During Fiscal Year 2001, the Earth Resources Observation Systems (EROS) Data Center in Sioux Falls, SD received \$25.5 million. However, the Administration has proposed cutting EROS' budget within the USGS by \$5 million next year, which is a 20 percent reduction. A reduction of that size could cause the elimination of 60 of the most highly-skilled, technical jobs at the Sioux Falls facility. That simply is not acceptable. Cuts of that size would be more than a 10 percent reduction in the workforce at EROS.

Among EROS Data Center projects are the National Satellite Land Remote Sensing Data Archive and the Ohio View Project. The Ohio View Project collaborates with colleges and universities in developing an integrated access and delivery capability for satellite images. The National Satellite Land Remote Sensing Data Archive makes satellite images of the earth's surface easily usable.

The cuts proposed for EROS are too high in comparison to other mapping programs in USGS. Under the Fiscal Year 2002 budget, over 60 percent of cuts in national mapping programs will come from the EROS Data Center's budget. We should be increasing funding for basic scientific research and for programs like EROS, not cutting it.

Not only is there a planned reduction in operations funding, but there is an extremely desperate need for facilities improvement and repair. This so-called "high-tech" facility is extremely overcrowded, there are dirt floors and unfinished areas of the building. Many of the faculty parking facilities are hazardous to employees and inadequate for the number of employees the EROS Data Center houses.

INDIAN HEALTH SERVICES: \$4.2 BILLION SHORT

There were three things I thought I would never see when I came to Washington: the fall of the Berlin Wall, the end of Communism and a debate about how to use Federal budget surpluses. The question used to be, do we have enough Federal resources to live up to our obligations to Native Americans? We have answered that question, and the answer is a resounding yes. Now the question is, do we have the political will to uphold our Federal obligations to Native Americans? Health care is the pinnacle of these Federal obligations and we need to take the first step in fulfilling them.

Unfortunately, past history has shown that Indian Health Care is not a priority for the United States. The Indian Health Care Service has been historically underfunded. I, along with Senator Daschle and others, offered an amendment to the Budget Resolution. This amendment was not included during the conference negotiations, thus forcing Indian Health Care to fight for funding with all of the other health care programs.

TRIBAL COLLEGES

In my state alone there are eight tribal colleges. These schools have served as the backbone of tribal higher education. Many of the Native Americans across the country are not what you would call "mainstream" students. The students attending tribal colleges are older, many are already married and have families of their own. More "conventional" schools are not as prepared to address the unique cultural and traditional needs of most Native American men and women attending tribal colleges. Without these institutions, many native people would not be able to access the education they so rightly deserve.

In the history of the tribal college system, there has never been a year where the colleges have received adequate funding. In fact, quite the opposite. Tribal colleges continue to be some of the most poor institutions of higher education. Despite their miserable funding streams, we have seen remarkable and creative uses of these sparse funds. Per dollar, tribal colleges are the most successful institutions I have seen throughout my 15 years of federal public service.

The Tribal Colleges and Universities were funded at only \$38 million for Fiscal Year 2001. This year the tribal colleges enjoy a \$1 million increase in the President's proposed budget. However, this funding increase will still not result in the full and adequate funding of \$6,000 per student. We are making progress, even though it is not enough. We need to be able to fully fund higher educational opportunities for our Nation's First Americans.

PILT FUNDING

I also have concerns about the level of funding for the Payment in Lieu of Taxes Program (PILT). PILT is designed to provide compensation to local communities that have significant amounts of federal land in their counties. Because these lands are not subject to property taxes, these funds are critical to the budgets of local governments that provide many valuable services such as law enforcement and sanitation. PILT has been chronically underfunded and rural states like South Dakota have difficulty providing basic public services on areas of federal land. Congress should live up to its commitment and fully fund PILT.

The CARA legislation that was approved by this committee last year would have fully funded PILT over the next fifteen years. Unfortunately, this legislation was not enacted but assurances were made that programs like PILT would receive increased priority in the future. Instead, the President's budget only allocates \$150 million for PILT funding, \$50 million less than last year's level. Moreover, this is more than \$200 million less than the authorized level of \$375 million. We are going in the wrong direction and must find ways to adequately fund PILT, so that the needs of rural areas are met.

Mr. Chairman, I hope that we can work together with the Interior Department on the concerns I have raised and find constructive solutions so that the priorities of rural America and Native Americans are addressed.

**STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR
FROM NEW MEXICO**

Senator BINGAMAN. Thank you very much, Mr. Chairman. Secretary Norton, welcome to the committee. I look forward to the hearing. Let me mention three areas that I am particularly interested in, and I am sure you will address these, and we will have a chance to ask questions.

You have indicated the Land and Water Conservation Fund is one of your top priorities. I have worked with Senator Murkowski, Senator Landrieu, and various others on this committee on the CARA legislation last year. My concern with the budget is that, as I read it, the administration's proposal does not provide for full funding of the Land and Water Conservation Fund, at least as it has been contemplated by most of those of us who support it.

As I understand it, the President is proposing to broaden the uses of the Land and Water Conservation Fund on the Federal side to allow two new local and private grant programs, neither of which appear to have anything to do with Federal land acquisition.

In addition, the States would be allowed to use the State Land and Water Conservation Fund moneys to fund not only the traditional State open space and outdoor recreation purposes, but various other programs, the wildlife conservation program, endangered species program, restoration and migratory bird habitat conservation.

Those are all worthy programs, but a few years ago the previous administration submitted a similar proposal to claim credit for fully funding the Land and Water Conservation Fund by including several non-related programs within the funding definition, and that proposal was very severely criticized by the chairman and various others on this committee. I hope that we are not seeing that same effort to dilute the purposes of the Land and Water Conservation Fund here.

Let me also mention that, as far as I can tell, the various conservation programs, with the exception of State Land and Water Conservation Funding, all the others are proposed for cuts at the appropriations level in the budget, and if I am wrong about that, I would be interested in being corrected.

Let me also state my concern about the proposed 25 percent cut in the PILT program, the payment in lieu of taxes program. That is very important program for my State and for many Western States. We finally got it appropriated at the \$200 million level this year and, as I understand the proposal, it is to cut \$50 million from the current PILT funding level. That concerns me.

One other area that I am concerned about are the proposed cuts in the Geological Survey budget. Under the budget request, the Geological Survey would receive \$69 million less than the current year funding.

I understand that the agency has been instructed to make further program reductions of about \$25 million above and beyond the amounts that are reflected in the President's proposal, so that is—

the Geological Survey, of course, is one that is very important to an arid State like mine, where water quality assessments that are done reduce stream-gauging and mapping activities. USGS biological, fire science, and climate change research, those are all very important ongoing activities that I would hate to see us cut.

So those are issues of concern. I look forward to your testimony, and hope we can have a chance to talk about them.

The CHAIRMAN. Thank you very much. Please proceed.

STATEMENT OF HON. GALE NORTON, SECRETARY, DEPARTMENT OF THE INTERIOR, ACCOMPANIED BY ANN KLEE, COUNSELOR TO THE SECRETARY, AND JOHN TREZISE, DIRECTOR, OFFICE OF BUDGET

Secretary NORTON. Mr. Chairman and members of the committee, it is a pleasure to join you today to talk about the Department of the Interior's budget proposal. With me are Ann Klee, who is counselor to me, and John Trezise, who is Director of the Office of Budget. This committee obviously plays a crucial role in dealing with the core issues for the Department of the Interior's mission. I look forward to working closely and collaboratively with you as we face issues over the coming years.

During my confirmation hearings, I spoke with you about what it is to be a compassionate conservative and a passionate conservationist, and how those are complementary descriptions. This budget similarly fulfills those same kinds of things. It is compassionate in the way that it protects our Nation's environment, and conservative in how it spends taxpayer's money, and involves local people in the decisionmaking process.

Overall, the 2002 budget is \$10 billion, including \$9.1 billion that is within the Interior and related agencies appropriations bill, and approximately \$820 million funded in the energy and water development bill. This is the second largest budget in the history of the Department of the Interior. As for many agencies, the 2001 fiscal year was a spike. If we go back further and compare ourselves with the 2000 fiscal year, which was much more in keeping with the Department's history, this budget represents a 16-percent increase above the 2000 level.

Last year's budget was a 20-percent increase above that level, and so this is something that is still a significant increase from where the Department has operated historically, even though there is a bit of a decline from last year's budget.

The Department's budget has grown rapidly over the last 3 years, outpacing inflation and the rise of discretionary spending. During that period, Interior's budget grew 23 percent. The 2002 budget contains this growth while still providing robust spending. I would like to highlight some of the major initiatives in this budget.

The first of these is the Land and Water Conservation Fund. With our proposed \$900 million investment, the executive branch for the first time meets its commitments to the States. This funding level provides \$450 million for States and \$450 million for Federal activities.

Our proposal gives the States a fourfold increase in funding to address their high priority needs. States will be able to decide for

themselves how to allocate funding for recreation planning and development, wildlife and wetlands conservation, and protection and recovery of endangered species.

This proposal broadens the uses for which that fund is available, but it is certainly in keeping with what we have heard from the States about what they would like to see. The point is to give the States greater flexibility to meet the needs of their citizens through their own decisionmaking and prioritization processes while promoting important environmental goals, including endangered species conservation and wetlands and waterfowl habitat restoration.

Our new approach to the Land and Water Conservation Fund also includes \$50 million for a landowner incentive program, working through the States, and \$10 million in private stewardship grants to support local, voluntary conservation efforts. The landowner incentive concept is one based on what the President established in the State of Texas. It provides technical assistance and positive incentives to landowners to protect rare species and their habitats.

With this new approach, we will have four tools available to the States to address endangered species conservation, the Land and Water State grants that we have just discussed, the landowner incentive program, private stewardship grants, and the cooperative endangered species Conservation Fund, which is at more than double the year 2000 funding level.

With the \$390-million request for Federal land acquisition, a new emphasis will be placed on input and participation by affected communities. We will pursue easements and land exchanges as appropriate mechanisms for attempting to protect lands, and we will certainly continue to have land acquisition as one of our tools. We will try to use that primarily where there is broad local consensus and support of that approach.

One of the important objectives for the President is dealing with the National Park Service backlog. For too long we have seen attention given to the high visibility issues, and we have not paid as much attention to the day-to-day needs of the parks. We propose to deal with the \$4.9 billion backlog in parks maintenance over the next 5 years. This year's budget will provide \$440 million, an increase of \$100 million, to maintain historical structures, visitor facilities, safe trails, clean waters, and well-kept campgrounds.

Also included for the National Park Service is \$50 million for the natural resource challenge. This is a 66 percent increase over the \$30 million that was appropriated last year. This program will assess the conditions of the parks and fund on-the-ground restoration work, including the management of invasive species.

The third major initiative in this budget is Indian education. During the campaign, the President pledged to leave no child, including no Indian children, behind. The budget proposes a two-pronged approach to bettering Indian education by improving the physical facilities in which children learn and enhancing the learning that occurs in our classrooms.

I was very disappointed to find that of the 4,500 buildings in the BIA's school system, one-fifth are more than 50 years old. Serious deficiencies pose real threats in many of the other buildings. Our budget includes \$293 billion for education construction and mainte-

nance, including \$128 million to entirely replace school buildings at six sites.

The fourth initiative in this budget addresses the need to balance land use with conservation. The Department manages 1 out of every 4 acres of land in this country. Management of those lands plays an important role in ensuring domestic and energy security, while at the same time providing important opportunities for public recreation and for conserving environmental values.

In order to accomplish all of those objectives, we need to ensure that we are taking actions in the best possible places, and that requires planning. We request an increase of \$7 million to accelerate land use planning. This will ensure that there is public involvement in our decisions on the appropriate mix of activities.

We will be able, through the Bureau of Land Management, to assess, revise, or amend 42 existing or new plans. The budget also includes \$15 million to increase the BLM mineral activities, and a \$7-million increase for Minerals Management Service's work in the Gulf of Mexico.

Before concluding my remarks, I would like to address one issue of particular concern, and that is the fire program. We have been working very hard to get that program up to speed to address fire dangers in the coming year. Unfortunately, this is the second driest year in the Bureau of Reclamation's records for the Pacific Northwest region. In this second driest year in 100 years, we know that we are going to see serious dangers ahead.

This is a very daunting task. We are trying to move forward with hiring fire fighters at a very rapid pace, and also clearing out the excessive undergrowth and so forth in order to reduce fuels. This is something that has to be done appropriately. We want to push forward as quickly as possible, but we want to assure that prescribed burns only occur where all of the situations are appropriate for them.

Another significant issue that I want to mention to you is trust reform. This is another area of grave concern to us. We want to ensure that Indian assets are appropriately managed. This is one where we know that very significant changes need to take place. We are working to ensure that those happen.

We have reached agreement with Judge Lamberth on the appointment of a court monitor who will actually be within the Department, and monitoring what we do on a day-to-day basis. We think this is a positive development so that both the court and the Department will have information from an objective source about our efforts.

The budget seeks an additional \$12 million to address concerns regarding the depth of trust management problems within BIA.

Well, thank you very much for providing me this opportunity to present our budget, and I look forward to working with you as we see this through to completion.

[The prepared statement of Secretary Norton follows:]

PREPARED STATEMENT OF HON. GALE NORTON, SECRETARY,
DEPARTMENT OF THE INTERIOR

I am pleased to be here today before the Committee on Energy and Natural Resources to present the fiscal year 2002 budget for the Department of the Interior. I appreciate the opportunity to highlight a number of important initiatives and to answer questions that you might have.

CONSULTATION, COMMUNICATION AND COLLABORATION IN THE
SERVICE OF CONSERVATION

For several months, I've been explaining what it is to be a compassionate conservative and a passionate conservationist. The Department's 2002 budget exemplifies these concepts. It's a budget that's compassionate in the way it protects our environment and conservative in how it spends taxpayers' money and gives local people more control over the lands they know and the lands they love.

This budget supports our efforts to conserve and manage the great wild places and unspoiled landscapes of this country, that are the common heritage of all Americans. Using consultation, communication, and collaboration, we will forge partnerships with interested citizens and ensure success in our effort to conserve America's most precious places. We can achieve this while maintaining America's prosperity and economic dynamism, respecting constitutional rights, and nurturing diverse traditions and culture.

BUDGET OVERVIEW

The budget outlines actions that make the government more accountable for how it spends taxpayer dollars and for achieving results. This budget emphasizes the importance of working in partnership with States, local communities, and the private sector. The budget pays down our national debt, sets aside a contingency fund for future needs and emergencies, and provides broad, fair, and responsible tax relief.

The 2002 budget for the Department of the Interior proposes important initiatives that fulfill the President's commitments and support the goals that he and I share. Within our budget you will find increased resources to support high priorities, including conservation of America's wild places through innovative environmental partnerships. The budget proposes the revitalization of the State portion of the Land and Water Conservation Fund, and the establishment of new landowner incentive and stewardship programs to help individuals protect imperiled species, enhance habitat, and conserve fragile land. The budget supports our shared goals to eliminate the National Park Service backlog over five years and improve natural resource management. The 2002 budget seeks resources that will enable us to achieve real results for every Indian child and upholds the President's commitment to leave no child behind, by investing in repair and replacement of Indian schools and increasing funding for school operations.

The budget also funds five recently adopted Indian land and water settlements, maintains a high level of funding to prepare for and suppress wildfire and to treat forests and range lands to reduce fire danger, and maintains historically high levels of funding for operational programs at national parks, wildlife refuges, and public lands. The budget also proposes management reforms that respond to the President's challenge to create a bureaucracy that is more flexible, creative, and responsive; to bring decision making closer to the customer; while continuing our emphasis on front-line service.

The 2002 budget for the Department of the Interior is \$10.0 billion in appropriations, a funding level that is \$345.7 million, or 3.4 percent below the 2001 enacted level. To give perspective to this comparison, it is important to note that 2001 appropriations reflected extraordinary growth of 20 percent in funding over 2000 levels, and included substantial emergency and one-time appropriations that need not be continued in 2002. When compared to historical funding levels, the 2002 budget request is \$1.4 billion or 16 percent higher than 2000 and \$1.9 billion or 23 percent higher than 1999. This budget is the second highest in the history of this Department.

For Department programs that are under the jurisdiction of our authorizing committees, the request for annual appropriations is \$9.1 billion, a decrease of \$348.8 million below the 2001 level. When compared to historical funding levels, the 2002 budget is \$1.4 billion or 17.6 percent higher than the 2000 level.

BUILDING CONSERVATION PARTNERSHIPS

The Department of the Interior has a long and proud history of working in partnership with State, local, and private landowners in the conservation of natural re-

sources. The 2002 budget builds on this capacity and provides new resources and tools to States, communities, organizations, and individuals to take leadership roles in finding innovative ways for conservation in cooperation with the Federal government.

A Flexible LWCF State Grant Program

The Land and Water Conservation Fund was created in 1965 to assure that revenues from offshore resources that belong to all of the people of the United States are used to develop and preserve recreation and conservation benefits. The LWCF has made an outstanding contribution over the last three and one-half decades by protecting America's land heritage and providing recreational opportunities. However, the promise for full funding that was made in the authorizing legislation has not been kept. From 1965 to 1995, funding for State grants averaged only \$108 million a year and no State grant funds were appropriated for years 1996 through 1999.

The 2002 budget keeps the promise for a fully funded Federal-State partnership, requesting the authorized level of \$450.0 million for State grants, an increase of \$359.7 million over the 2001 level of \$90.3 million. Amounts that would be allocated to States, the District of Columbia, and the Territories are significantly increased, expanding every State's capability to support our shared goals for conservation. The budget proposes to make \$10.0 million available for competitive grants to Tribes, funding tribal participation in this program for the first time.

The 2002 budget also proposes to revitalize the State grant program both by increasing the resources available and by expanding the scope of activities eligible for funding. It allows States flexibility to determine their own priorities in recreation and conservation, and encourages program innovation. Conservation of wildlife and habitat has become a major component of conserving and enjoying our natural resources. In this broadened State grants program, States can continue to use funding for traditional recreational venues such as ball fields and parks. They will also be able to use this funding to protect and enhance habitat for fish and wildlife. The updated LWCF State grant program incorporates the purposes of more narrowly-focused grant programs that support goals including: urban park recreation and recovery, wildlife conservation and restoration, migratory bird habitat conservation, and the conservation of habitat for threatened and endangered species. To enhance collaboration the budget allows States to partner with non-governmental entities to plan State-wide recreational needs, enhance lands that have already been acquired, and to acquire easements.

The 2002 budget proposes \$100.5 million for three Fish and Wildlife Service programs to further facilitate conservation partnerships. The request includes: \$54.7 million for candidate conservation, threatened and endangered species recovery, habitat conservation planning, and HCP implementation through the Cooperative Endangered Species Conservation Fund; \$14.9 million for wetlands and migratory bird conservation activities through the North American Wetlands Conservation Fund; and \$30.9 million to enter into partnerships with private landowners for conservation purposes through the Partners for Fish and Wildlife program.

Facilitating Local and Private Conservation

The 2002 budget includes two new programs to promote conservation in the United States. The Fish and Wildlife Service budget proposes \$50.0 million to establish a Landowner Incentive program for grants that are competitively awarded and cost shared. Grants provided to States, the District of Columbia, Territories, and Tribes will help landowners protect and manage habitat, while continuing to engage in traditional land use practices.

This initiative is modeled on the successful private lands enhancement program in Texas. This program provides technical assistance to landowners that want to consider wildlife needs in their land use practices. Texas wildlife biologists work with private and public land managers in the preservation and enhancement of habitat for important wildlife species. The budget also recognizes the importance of private citizens and non-governmental groups in the protection and conservation of natural resources. The 2002 budget includes \$10.0 million for a new Private Stewardship grants program that will support individuals and groups engaged in voluntary land and wildlife conservation efforts. This funding will support local community efforts to protect imperiled species, enhance habitat for fish and wildlife, and conserve important resources.

In support of our collaborative and consultative approach, our 2002 budget proposes \$259.1 million for Federal land acquisition projects that focus on the use of alternative and innovative conservation tools such as easements, purchases of development rights, and land exchanges. We have made sure that these proposed acquisi-

tions include the input and participation of the affected local communities. For example, the Bureau of Land Management budget proposes \$2.0 million to acquire 788 acres of conservation easement interests and 100 acres of fee simple interests to protect scenic and recreational values in the Lower Salmon River Area of Critical Environmental Concern in Idaho. Acquisition of these precious resources has the support of the Friends of the Lower Salmon and the Idaho Department of Fish and Game. By using easements, we can leave the lands in private ownership, while protecting the breathtaking scenery of the river canyon.

PRESERVING OUR NATIONAL PARKS

America is a land of singular beauty and Americans are proud of the many natural treasures within our shores. The President and I believe that a top priority of the Department of the Interior is the conservation of these treasures. The 2002 budget proposes increased funding to conserve the national treasures in our national parks. The 2002 budget includes an increase of \$61.1 million in appropriations, coupled with targeted recreation and concession fees for a total of \$439.6 million to eliminate the maintenance backlog that is an obstacle to resource protection. We are also providing \$20.0 million to restore natural resources, including removal and management of invasive species, in national parks. This initiative will help to restore our parks and ensure a positive legacy of protecting our cultural, natural, and recreational treasures for Americans today and in the future.

Eliminating the NPS Maintenance Backlog

Just as the establishment of the National Park Service in 1916 was an innovative idea, so too are we challenged to devise new and innovative ideas for the management of these national treasures. Today, the Park Service faces challenges that could not have been imagined by the early managers of the park system. More than 285 million people visit the parks annually; visitation this year at Yellowstone National Park alone will exceed the visitation of the entire system in 1916. As the park system ages and visitation increases, the parks' infrastructure is stressed and showing the effects of inadequate maintenance funding.

It is estimated that the current deferred maintenance backlog is roughly \$4.9 billion, including \$2.2 billion that is attributable to facility maintenance needs funded through Interior and Related Agencies annual appropriations. The 2002 budget proposes funding to begin to reverse the decline in the condition of facilities in parks, requesting \$439.6 million to make significant progress in eliminating the \$2.2 billion facilities-based maintenance backlog. Annual funding will include \$339.6 million in appropriations and \$100.0 million in recreation and concession fees. At this funding level the Park Service will address the \$2.2 billion deferred maintenance backlog over five years.

The Park Service will undertake projects in the backlog in an orderly process using a five-year plan that prioritizes first the completion of health and safety and resource protection projects. Projects that will be completed with this funding are diverse, including for example: replacement of deficient guardrails at the Blue Ridge Parkway; replacing a failing water line at Petrified Forest National Park; and conducting critically-needed preservation work at the Lincoln Memorial in Washington, D.C.

The balance of the backlog, \$2.7 billion, is associated with road, bridge, and transportation projects funded through the Transportation Equity Act for the 21st Century. The 2002 budget defers decisions on increased funding for these transportation-related projects and assumes the existing funding level of \$165 million annually through 2003, as TEA-21 is not subject to reauthorization until 2004.

The Natural Resource Challenge

The 2002 budget proposes \$49.5 million for the National Park Service Natural Resource Challenge, a program focused on preservation and restoration of the rich natural heritage in the National Park System. For this third year of the program, the Park Service is requesting an increase of \$20.0 million in order to improve knowledge of plants, animals, and ecosystems in park units. This infusion of resources will increase the Park Service's capability to understand the potential impacts of habitat destruction, invasive species, pollution, and pressures caused by increasing visitation. The Park Service will continue to work collaboratively with the U.S. Geological Survey and local universities in order to develop strategies to ameliorate threats to natural resources, and implement solutions to resource problems.

KEEPING OUR COMMITMENTS TO AMERICAN INDIANS

One top priority concerns the special responsibilities of the Secretary of the Interior with regard to American Indians. The President and I have committed to up-

hold the unique government-to-government relationship with Tribes. There is much that needs to be done and that we can do, in partnership with our Nation's Indian Tribes, to improve conditions and provide a more hopeful future. The 2002 budget includes \$2.2 billion for BIA, an increase of \$65.9 million or three percent over the 2001 level, and a 17 percent increase over the 2000 level. The budget contains substantial funding for Native American initiatives and builds on increases provided last year for school construction, Indian education programs, and trust management improvements.

Building Better Schools in Indian Country

President Bush has pledged to "leave no child behind." To accomplish the goal, we must improve the schools that serve nearly 50,000 children. The BIA, through its management of 185 Indian schools, is one of only two agencies in the Federal government directly responsible for an elementary and secondary school system. In 2002, BIA will fulfill the President's commitment to improve education in America by implementing a two-pronged approach improving education facilities and enhancing school operations.

One-fifth of the buildings in the BIA school system are over 50 years old, and half are more than 30 years old. Due to age and inadequate maintenance, many schools have serious deficiencies that pose real threats to the health and safety of students and faculty and make it difficult for students to learn. These schools have leaking roofs, peeling paint, overcrowded classrooms, and inadequate heating, cooling, and ventilation. The 2002 budget includes \$292.5 million for education construction, including \$122.8 million to construct replacement buildings at six schools and \$5.0 million for planning and design of future replacement schools.

The six schools slated for funding in 2002 are the highest priority based on BIA's priority ranking list. Funding will be used to replace: educational facilities at the Polacca Day School in Arizona and the Ojibwa Indian School in North Dakota; school and dormitory facilities at the Pascal Sherman Indian School in Washington; dormitory facilities at the Holbrook Dormitory in Arizona and the Wingate Elementary School in New Mexico; and new classroom facilities at the Santa Fe Indian School in New Mexico.

The education construction budget also includes \$161.6 million for facilities improvement and repair, an increase of \$13.6 million or eight percent over the 2001 funding level. This proposal will fund deferred and annual maintenance needs, major and minor repair projects to address health and safety concerns, and program deficiencies at educational facilities. The President has established a goal to eliminate the current repair and maintenance backlog by 2006. With this funding, we will make significant progress towards achieving that goal.

Learning: A Life-Long Journey

Providing safe schools is only the first step in improving educational opportunities for Indian children. One of BIA's strategic goals is to provide quality educational opportunities from early childhood through adulthood, helping to instill a desire for life-long learning. The 2002 BIA school operations budget proposal of \$504.0 million includes a program increase of \$9.1 million. This funding will be used at schools operated by BIA, as well as at schools operated under contracts or grants to Tribes and tribal organizations, to ensure that schools maintain accreditation; have access to textbooks, computers, and other vital learning tools; have adequate teaching staffs; and can provide transportation. Individual schools and school boards at the local level make the final decisions on how best to use these funds.

The 2002 budget maintains funding of \$12.2 million for the early childhood development program, including the family and child education program and the therapeutic residential model program. The family and child education program involves parents in the critical early stages of their children's education, improves adult literacy, and teaches parenting skills that help improve children's readiness for school. The therapeutic residential model program is an intensive, hands-on program that focuses attention on Indian youth attending boarding schools and helps them to achieve positive changes in attitude, behavior, and academic performance.

In addition, the 2002 budget proposes \$39.1 million for operation of the 25 tribally controlled community colleges. This is an increase of \$1 million for these colleges that serve a vital role in furthering Indian education beyond the high school level and building critical job skills.

Resolving Land and Water Claims

Settlements of land and water disputes resolve long-standing claims made by Indian tribes and are the outcome of negotiations between the Tribes, the Federal government, and other interested parties. The settlements reflect the Federal government's commitment to fulfill its promises to the Indian community. The 2002 budget

includes \$60.9 million, an increase of \$23.5 million, to fund ongoing settlements and five recently authorized settlements. The budget requests: \$6.3 million to complete the Federal commitment for direct tribal payments in the *U.S. v. Michigan* Great Lakes joint Tribal-State-Federal consent decree on fishery resources; \$6.0 million for the Torres-Martinez settlement in California; \$2.0 million for the Santo Domingo settlement in New Mexico; \$5.0 million for the first payment for the Shivwits Band of the Paiute Indian Tribe of Utah; \$8.0 million for the Colorado Ute settlement to settle claims on the Animas and La Plata Rivers in Colorado. The budget will continue to fund the Rocky Boy's settlement at \$8.0 million and the Utah Ute settlement at \$24.7 million.

Fulfilling Trust Responsibilities

For more than 150 years, the Department has been responsible for managing assets in trust for American Indian Tribes and individual Indians. The management of trust funds and administration of leasing activities continues to be an important responsibility and is an essential service to foster opportunities for Tribes and individual Indians. The 2002 budget upholds commitments made to institute sweeping changes in the management of trust assets. Trust management reform efforts focus on correcting deficiencies; improving and implementing new trust management and financial systems; and sustaining accomplishments to ensure that trust management problems do not recur.

A total of \$110.2 million is requested for the Office of the Special Trustee in 2002, including \$73.0 million for trust management improvements under the Department's High Level Implementation Plan. Activities that will continue in 2002 under HLLP include: replacing BIA's land records system with the Trust Asset and Accounting Management System; reforming the probate and appraisal program; curing decades-old records management deficiencies; providing training on trust systems; and developing comprehensive and consistent policies and procedures. Continued implementation of these management reforms will resolve decades old trust fund management issues, improve accountability, and help to meet the Department's trust responsibilities to Tribes and individual Indians.

The 2002 budget includes \$11.0 million for the fourth year of the Indian Land Consolidation program to expand land acquisition activities and continue implementation of the Indian Land Consolidation Act Amendments of 2000. This will support activities including: consolidating fractionated interests into more useable and leasable parcels of land; reducing the administrative burden associated with fractionated ownership; and reforming probate by establishing uniform rules for the descent and distribution of interests in allotted lands.

The 2002 budget proposes \$118.4 million for BIA trust-related services. This includes an increase of \$12.0 million for additional staff and resources for critical trust services programs that have been historically under funded and understaffed, such as real estate services, probate, appraisals, and land titles and records programs. These increases will help BIA to continue to improve performance in meeting responsibilities in managing revenue-generating lands held in trust for Tribes and allottees. The program increases will further timely and accurate processing of real estate transactions and appraisals; increase capability to keep pace with growing probate workloads; help keep land records current; provide additional resources for tribal courts to address the increased court caseload; support background investigations of employees and contractors who manage trust assets and records; improve management of natural resources on trust lands; and improve information resource management and trust records security.

BALANCING USE WITH CONSERVATION

Federal lands administered by the Department of the Interior play an important role in ensuring domestic energy security, supporting economic development, and providing important opportunities for the public to experience the Nation's natural heritage. As stewards of public lands and resources, The Department must balance the development of mineral and energy resources with environmental protection. The 2002 budget proposes program increases totaling \$22.1 million for BLM and \$14.7 million for MMS to support this balanced approach.

Onshore Energy and Minerals Programs

BLM manages leasing and development for energy and minerals on onshore lands that produce approximately five percent of annual domestic oil production and eleven percent of domestic natural gas production. BLM's management of energy and mineral resources, including 50,000 oil and gas leases, are an important part of the Nation's energy program.

The 2002 budget proposes a program increase of \$15.0 million for an expanded BLM energy and mineral program. This proposal includes \$5.0 million for BLM to identify and evaluate oil and gas resources and reserves on public lands as required by the Energy Policy and Conservation Act of 2000. BLM will work with the Department of Energy, U.S. Forest Service, and U.S. Geological Survey to survey onshore reserves. An increase of \$5.0 million will be used to support another lease sale offering in the National Petroleum Reserve Alaska and to initiate planning and associated studies in the 1002 area of the Arctic National Wildlife Refuge to support future oil and gas lease sales, if authorized by Congress. The request includes an additional \$2.0 million to increase leasing and processing of permits to drill for coalbed methane, and \$3.0 million to increase coal leasing and other mineral development on Federal and Indian lands, and to address increased workload for land and realty processing of rights-of-way.

Consensus Building with Land Use Planning

BLM land use plans govern the management of public lands and are the primary tool for building consensus and incorporating public comments in our land and resource management programs. Many of the plans now in use were completed prior to 1989 and need to be updated to reflect current conditions. The 2002 budget includes an increase of \$7.1 million to update plans in order to facilitate more collaborative and better decision-making.

Offshore Energy Programs

MMS oversees oil and natural gas production in the Outer Continental Shelf. OCS activities account for approximately 26 percent of annual domestic oil production and 28 percent of domestic natural gas production. To meet the demand for increasing energy production, the budget includes an increase of \$7.4 million for MMS' Gulf of Mexico leasing and regulatory program. This increase will allow MMS to be responsive to requests for services in processing permits and the review of development plans. An additional increase of \$7.3 million is proposed to acquire a management system that is necessary to support a royalty-in-kind program for oil and gas production on Federal lands. Where favorable conditions exist, taking royalties in kind as an alternative to the traditional method of collecting royalties in value is an innovative approach that may potentially reduce administrative burdens.

MANAGING FIRE

The lessons learned in the 2000 fire season laid the groundwork for our current efforts in the Wildland Fire program. As a result of our past experience, we are focusing on building capacity in preparedness; implementing an expansive fuels treatment program that targets the wildland urban interface; ensuring an adequate fire suppression program at the Federal and local levels; and conducting rehabilitation of burned areas to prevent additional loss and promote land health. In conjunction with the U.S. Forest Service, the Department continues to make significant progress in the implementation of the National Fire Plan. Working in partnership with the Western Governors' Association, National Association of Counties, Tribes, other Federal partners, and non-governmental organizations, the Department and the Forest Service are developing a plan of action and are engaged in designing a ten year strategy for treatment in the wildland urban interface to protect communities from the threat of fire.

The 2002 budget funds the wildland fire program at \$658.4 million, or more than double historical levels for this program. Although this proposal is \$318.7 million lower than the 2001 level, a large part of this decrease reflects the elimination of an emergency contingency fund of \$199.6 million and \$26.8 million in one-time costs for equipment purchases and a specific, targeted research project. The 2002 President's budget continues funding for critical fire program components and includes a \$5.6 billion national emergency reserve that will be available to pay for emergency needs, including higher than average wildland fire costs, if needed.

The 2002 budget funds preparedness at \$280.8 million. This funds readiness at \$252.0 million, or 95 percent of the amounts included in the National Fire Plan, adjusted for fixed costs. This level combined with resources expected to be available from 2001 provides sufficient funding to maintain full readiness in 2002. The budget continues funding for the fire science program at \$8.0 million and includes a proposal to fund important research conducted by the U.S. Geological Survey within this amount. A total of \$19.8 million is budgeted for 76 high priority deferred maintenance and capital improvement projects.

The 2002 budget proposes to fund fire operations at \$367.6 million. Suppression costs are funded at the ten-year average of \$161.4 million including an additional \$8.3 million to increase fire control capabilities. The 2002 budget continues funding

for hazardous fuels reduction at \$186.2 million including \$111.3 million for fuels reduction in the wildland urban interface. The budget also funds rehabilitation at the ten-year average of \$20.0 million. The budget reflects a reduction of \$84.8 million from 2001 levels, reflecting a reduction in funding amounts that will be targeted to rehabilitate areas burned in the 1999 and 2000 fire seasons.

Lastly, the budget provides \$10.0 million for technical assistance and support for rural fire districts. Funding provided to these volunteer fire departments is critical, as they are often the first line of defense in protecting wildland urban interface areas threatened by fire.

OPERATION OF NATIONAL PARKS, NATIONAL WILDLIFE REFUGES, AND PUBLIC LANDS

The 2002 budget continues funding for the operational programs in the National Park Service, Fish and Wildlife Service, and Bureau of Land Management at historically high levels, maintaining significant funding increases provided in prior years and allocating an additional \$69.1 million for uncontrollable cost increases. Funding for these operational programs in 2002 totals \$3.2 billion, an increase of 2.4 percent over 2001 levels, and an increase of 12.7 percent over 2000 levels.

RESTORING THE EVERGLADES

The President's 2002 budget invests significant resources in the long-term restoration of the South Florida ecosystem, requesting \$37 million for the Corps of Engineers and Department for implementation of the Comprehensive Everglades Restoration Plan authorized by the Water Resources Development Act of 2000. An additional \$183 million is proposed, government-wide, to continue ongoing construction, research, and land acquisition activities associated with restoration of the ecosystem. The South Florida/Everglades ecosystem is a national treasure. Restoration of the Everglades continues to be a top priority for the Department.

The Department's 2002 budget includes \$122.8 million for South Florida/Everglades restoration activities. The 2002 budget proposes an increase of \$5.7 million for CERP implementation to provide technical assistance and expertise in the planning, design, construction, and adaptive assessment of restoration projects constructed by the Corps. The budget includes \$27.4 million for acquisition to support restoration, including \$15.0 million for a matching grant to the State of Florida. A total of \$39.2 million is proposed for the Modified Water Deliveries project.

ENDANGERED SPECIES LISTING

The 2002 budget proposes a total of \$8.5 million for the endangered species listing program, a 34 percent increase over 2001, and a 37 percent increase over 2000. This increase will help return balance to the listing program, enabling the U.S. Fish and Wildlife Service to protect species that are in decline, respond to citizen petitions to list new species and designate critical habitat for species that are already listed.

However, because a flood of court orders requiring FWS to designate critical habitat for hundreds of species threatens to consume the entire listing budget in 2002 as it has in 2001, the budget increase will not be enough by itself to restore this balance. In fact, after complying with existing court orders to designate critical habitat for 2001, FWS does not have any remaining resources or staff to place new species on the list of threatened and endangered species or to respond to citizen petitions to list new species. In short, because of the lawsuits, FWS currently does not have an effective listing program.

The prior Administration requested Congress place a cap on the listing program beginning in 1998, and this Administration is asking Congress to continue the cap. The reason for the cap is to ensure that FWS can maintain an overall endangered species program that not only includes listing new species and designating critical habitat but also undertaking recovery programs, working with States, landowners, and others to conserve species before they require listing, consulting with Federal agencies where required by the Act, and delisting species when they have recovered. Absent the cap, courts might require the Service to take funds from other endangered species activities to designate critical habitat. If this were to happen, the imbalance that currently plagues the listing program would spread to the entire endangered species program.

The President, therefore, is continuing efforts begun by the last Administration to break this gridlock and get back to the important business of protecting imperiled species. We are asking Congress to concur that funds be spent on listing actions that provide the greatest benefit for species at risk of extinction. This proposal would not change any of the underlying substantive requirements of the ESA, but would allow the FWS to use its resources to protect the species that are in greatest need of listing. The Service hopes to engage the public and interested groups in a

dialogue on the development of a prioritization system, and then to put the resulting priority system out for public review and comment this summer.

We recognize that this proposal has resulted in considerable controversy. While the problem is real and needs to be addressed, we would welcome the opportunity to work with this Committee and other interested Members/Senators to craft a solution that meets with wide approval.

GOOD GOVERNMENT

The 2002 budget begins to shape the Department in a manner that supports the President's vision for a government that is active but limited, citizen-centered and not bureaucracy-heavy, results-oriented and not process driven, and market-based in order to promote innovation and competition. The budget proposal slows the growth in staffing, reflecting a reduction of more than 1,700 FTE below levels originally planned for 2001. The budget identifies streamlining savings that total \$57.3 million that will be achieved through reductions in organizational layers, contracting efficiencies, lowered grade levels, management downsizing, and elimination of extraneous positions.

CONCLUSION

In conclusion, the 2002 budget provides strong support for Interior's programs and for the men and women who carry out our mission. Further, it provides expanded opportunities to work with our constituencies involving them to a greater degree with expanded consultation, communication, and collaboration. As we expand their involvement, we can increasingly benefit from their creativity and capacity to innovate and thereby increase our effectiveness.

I was reminded very recently that we can accomplish more by working together and building partnerships across ideological and political boundaries. Three weeks ago, I helped to release five endangered California condors back into the wild, achieving something that was once thought to be impossible. The captive breeding effort and subsequent reintroduction of the condors into the wild was made possible by collaboration with State, local, and private organizations.

This concludes my overview of the 2002 budget proposal for the Department of the Interior and my written statement. I will be happy to answer any questions that you may have.

The CHAIRMAN. Thank you very much, Madam Secretary. As you pointed out in your comments on the Land and Water conservation State grant program, the previous administrations had not funded that, and I think it was created back in 1965. You have indicated that in your budget you promise a full-funded Federal-State partnership at \$450 million. Can you explain the formulas relative to the impacted areas vis-à-vis the non-impacted areas relative to the reality that if you have a State like Louisiana or Alaska or Mississippi or Texas, some of the States where there is activity off-shore, whether those States in fact, in your formula, would get a higher percentage of the State funding vis-à-vis those States that are not impacted and do not have to put up with the cost associated with services, sewer, water, whatever?

Secretary NORTON. The funding in the Land and Water Conservation Fund State-side is not directly related to coastal impact, and so it continues the tradition of the Land and Water Conservation Fund allocations in the past. We do propose somewhat of a change in the formula, and that would, I believe, be 70 percent on the basis of population and 30 percent on the land area for allocation among the States.

The CHAIRMAN. Well, as you know, Senator Landrieu, Senator Bingaman, several of us worked on this, and there was concern over private property rights and owners, and the fear that the Federal Government and the States would use these funds to acquire private property, and others were of the concern that clearly these

impacted areas were not receiving a fair formula equivalent, and that there should be some consideration.

As a matter of fact, the legislation initially was set up to provide an entitlement, so there would be an assurance of funding without getting into the issue of the private property, which I know many people feel very strongly about.

It still seems that what we have done is pretty much turn this over to the appropriations process relative to what is funded and what is not funded, and as far as the impact, while we made a break-through in theory by saying, all right, there is authorization for OCS revenue-sharing to the impacted areas, we still do not seem to have an equity relative to the impact associated with these areas that provide the service, and I do not know to what extent you have addressed that in your formula basis, but it still seems to me that we have an inequity here, and I am sure there are others that are going to express their opinions on this as well. Maybe you would want to enlighten us a little further by written communication, but it is your call.

Secretary NORTON. I would be happy to provide some additional information to you about that, but I think you are talking about the real impact of assistance for the areas that are directly affected by off-shore production. I am certainly sympathetic to the impacts that do occur from production. Our budget at this point, though, are based upon the Land and Water Conservation Fund going to the States in very much the same way that it has in the past, and is designed essentially with the goal of conservation purposes in mind.

What we tried to do is really expand the types of conservation purposes for which States can use money that is made available. For most States, this is a three to fivefold increase in the amount of money that they will be receiving, and we want to provide the States flexibility to respond to various types of environmental concerns that they might have.

The CHAIRMAN. Well, let me ask you about the Federal funding share. Specifically, what are the limitations on that, and what can and cannot the Federal Government do with that for 50?

Secretary NORTON. On the Federal side, we would be including money for land acquisition. It is very much the traditional purposes for which that has been used in the past.

The CHAIRMAN. Well, really we have not had much of a program in the past. We had an authorization, but not much of a funding.

Secretary NORTON. For the Federal land acquisition?

The CHAIRMAN. Well, we funded it directly through appropriations pretty much. I mean, this program has been there. It has never really been funded.

We tried to put it together in a little different manner last year. We were partially successful, but I am curious to know, relative to land acquisitions of using the Federal funds, are the people in the region going to have something to say about what is purchased out of their regions with Federal funds, because this gets into the private property issue, and the fear of some that there is going to be a wholesale methodology for the acquisition of private property by the Federal Government in areas where maybe the people who live

there find that is not in their best interest. What kind of a safeguard do they have?

Secretary NORTON. The entire direction in which we are trying to move is toward being more cooperative with States, with local communities, and with private landowners. In trying to move in that direction we have, first of all, created the landowner incentive program that I have described, which both works through the States and then has a direct component to it that would encourage people to make voluntary changes on their own property to improve habitat, so that essentially they would get technical assistance and so forth.

What we saw from the Texas experience is that many people carry through with this by providing their own labor, their own initiative in trying to protect threatened species or rare species that are on their property. That is one thing that is very much moving in the cooperative direction toward habitat enhancement instead of the punitive type of approach that we have totally relied on in the past.

Secondly, in terms of land acquisition, while we do not have any changes that would be reflected in statute, we do have changes that we are very much pursuing in our administrative course of the way in which we deal with things.

The CHAIRMAN. My last question will be relative to something you touched on, and it is the responsibility that you have indirectly through the Bureau of Indian Affairs on managing and fulfilling the trust responsibilities to the American Indian tribal groups. Secretary Babbitt and I and others had a long discussion relative to how this was going to be cleared up, and I acknowledged that the Secretary, the previous Secretary inherited a mess, and you have inherited a mess, and it has not been cleaned up, and I do not think the BIA is capable.

I do not think it has the technical ability to address and get a handle on this, and I would strongly encourage you to investigate those organizations that have had an extended experience and a reputation at providing trust services. My only fear is that they might be reluctant to accept taking on this kind of a responsibility, but clearly it is something that needs to be taken on by responsible people who can be held accountable for their actions and get a handle on this, because there is no excuse for it having gone on for as long as it has without adequate corrective action, and for the life of me I cannot understand why the previous Secretary felt that it had to be done within the BIA, and clearly that effort failed in spite of his effort, so I think it is time to shop around for new expertise.

Senator Bingaman.

Senator BINGAMAN. Thank you very much. Let me ask about my understanding of your Land and Water Conservation Fund proposal and see if I am right that the \$450 million, which is on the Federal side, you are proposing that all of it not be available for land acquisition, that some of it be set aside for these other two programs that you mentioned, am I right about that?

Secretary NORTON. That is correct. Some of it would go into the other specific programs.

Senator BINGAMAN. So there would be less than the \$450 million available for land acquisition on the Federal side?

Secretary NORTON. We believe this will allow protection of many more acres of habitat by encouraging people to protect habitat as opposed to buying the habitat.

Senator BINGAMAN. So it would not be acquisition, it would be other ways to protect habitat, as you see it?

Secretary NORTON. That is correct.

Senator BINGAMAN. On the State side, my impression there—and I indicated in my opening statement—is that there are several programs that are currently pursued by States, wildlife conservation, endangered species programs, wetland restoration, migratory bird habitat.

You are proposing cuts in Federal funding for each of those, but defining the State side of the Land and Water Conservation Fund as including those, so the States can use the money that they receive from the State Land and Water Conservation Fund to make up for the cuts that are otherwise going to take place in those programs. Is that an accurate description?

Secretary NORTON. Yes. We want to provide the flexibility to the States to allocate the money as they see it would be most valuable. We are trying to provide them a broad range of activities and allow them to use that money more flexibly so that it goes beyond just the traditional recreation approach that we have had in the past of providing money for swimming pools and things like that, and really moves it into things that are really more environmentally responsible.

Senator BINGAMAN. Do you not think it is appropriate that if that was to be done, that is a change in the use of the funds in the Land and Water Conservation Fund? Would it be appropriate that that be done through authorizing legislation, rather than just as a budgetary provision, or appropriations language somewhere?

Secretary NORTON. We are very excited about this approach, and the way in which we are broadening out to the ways in which the States can use the money. We are happy to work with everybody about the details in the way that takes place, but it certainly is arguable that that is within the overall scope of the Land and Water Conservation Fund purposes, as it has been carried out in the past.

Senator BINGAMAN. Let me ask about the PILT payments, the payment in lieu of taxes. The current authorization for PILT is about \$325 million. Several of us here on the committee have been working hard to try to get that fully funded, and we have never succeeded. This current year we are at \$200 million, and your proposal is to cut that by a fourth. Why is that a proposal of the administration? I would have thought the administration would have supported higher levels of funding for PILT.

Secretary NORTON. Well, as a westerner, I understand that those are important payments to local communities. We have returned this to the 2000 funding level, so it is at historic levels. This is also something that we are trying to move toward more State funding. We have not been perfect in the way we have moved everything toward that State funding, but we are certainly trying to move in that direction. The overall thrust of this budget has been to return more money directly to the States and under more State control.

Senator BINGAMAN. So this is an exception to the overall thrust?

Secretary NORTON. This is one of those things that again we allow the States flexibility in the ways in which they are using that money to the extent that they think the rural regions would benefit from the types of funding available to them under the Land and Water Conservation Fund. They can use the resources in those areas.

Senator BINGAMAN. Let me ask, on the Geological Survey funding, the budget you have given us proposes a cut of \$69.4 million for the USGS. In addition, I understand you have instructed the agency to make program cuts of \$23.6 million to absorb uncontrollable costs, so we add those two together, you get \$93 million in cuts at the Geological Survey. As I understand it, this would eliminate much of USGS's water quality programs, most of their climate change research, all of their fire science work, most of their biological research and information dissemination, and a good deal of their geological mapping research.

I guess maybe the best way to pose the question is sort of philosophical. I have always seen the Geological Survey as a resource to the entire country and to local government and to State government, and it is sort of the flagship premier research organization to inform a lot of public policy decisions. It seems like these types of cuts that you have proposed, its ability to function in that way would be seriously impaired. Do you see it differently, or what is your response?

Secretary NORTON. If I can make a few points, first of all I do not think it is accurate to say that we are cutting in order to deal with the uncontrollable costs. We are leaving the same amount of money in that budget. It is just the fact that their costs are going up. It is reflected in the budget documents that they will be absorbing uncontrollable costs, but that is not really a cut.

We are looking at trying to focus the Geological Survey on better serving the needs of the Department's land managers. It has gotten into a lot of other areas that are fairly far afield from providing insight for those who are managing their resources, and we want to focus the survey back on that.

A second activity of USGS, which we do support and continue, has been its cooperative working relationships with other agencies, and in some situations we are trying to move toward outside funding sources. The budget reflects efforts that we will be trying over the coming months to find partners who will assist us in paying for the benefits that they have been receiving in the past, so that USGS will be recovering funding from those agencies and private sector that have in the past not contributed to the costs of services the USGS has provided.

Senator BINGAMAN. Mr. Chairman, my time is up. Could I just put the appropriate pages from the President's budget request which show this \$90-million program decrease for USGS in the record?

The CHAIRMAN. Without objection.
Senator Kyl.

STATEMENT OF HON. JON KYL, U.S. SENATOR FROM ARIZONA

Senator KYL. Thank you, Mr. Chairman. First of all, Madam Secretary, let me compliment you for the job you have done without a lot of staff in your first 100 days or so. My office has already had substantial contact on some emergency problems that relate to the energy crisis as well as ongoing Indian water negotiations and some other issues, and Chris Kearney and Chad Calvert have been particularly helpful, but everybody we have talked to has bent over backward to try to help us work through these problems, and I compliment you and your staff for that.

Secondly, let me just reiterate something I have talked to you personally about, and that is the forest health, the need not only to deal with the potential catastrophic fire problem dealing with our forest health issues but also the fact that the forests need to be restored to the status, really, that many of them were 100 years or so ago, when nature did take care of the eradication of the excess fuel, and in so doing kept the forests healthy.

We have got disease, we have got crowding, and because of the diminution of logging, we have not gone in to thin out a lot of the growth that is choking the big healthier trees, and as a result, according to the GAO, we have got a huge problem, probably need to, over the course of the next 20 years, treat maybe 30 million acres or so. Part of that is agricultural forestland, part of it is Interior jurisdiction land, and I would be curious as to any thoughts that you have with respect to that.

On the matter of the Land and Water Conservation Fund, the chairman noted something that I want to reiterate. That is the fact that in States like Arizona, where we have such a small percentage of private land, I hear we have a very rapidly growing State, something like 12 or 14 percent of the land is privately owned, and decreasing dramatically every year by the purchase of private land by Indian tribes and the Land and Water Conservation Fund acquisitions that have supported—because there are some really unique properties that we have wanted to acquire, but the net result of that has been a net decrease in the amount of private land available.

Some of us are getting to the point where we want to have some kind of no net loss policy with respect to private land, and therefore to develop some kind of policy that would permit exchanges rather than outright purchases of private land, and in that regard I do applaud you for the effort to try and provide some assistance to private landowners so that we do not have to acquire that land by the Federal Government, and they can do the job themselves.

As you know, we have some national monument issues. The Secretary who preceded you moved very quickly, in some cases without proper local consultation, resulting in leaving you with a passel of problems. I know you are aware of that. We will have to work those through, but these are some of the things that are of concern to me.

The primary budget issue is the forest health issue, and I just wonder if you could speak to that a little bit about your plans with respect to helping to treat these lands so that we both eradicate the fire danger and also restore them to a healthy condition.

Secretary NORTON. Thank you, Senator. Yes, we are moving towards more of a focus on fuels reduction and forest health. I agree with you that our forests have become much, much more dense than they were a century ago, and that poses tremendous problems for both fire and for disease, and just for having truly healthy forests.

We are working to try to change our approach to manage the forests in a more active way, and we are moving forward with fuels treatment. That program has continued at last year's level, so that will be \$187 million, and that compares with only \$49 million last year, and so that is a significant increase and a significant focus for us.

We are not progressing as quickly as I wish we were. We are trying to make some fundamental changes. In the long run, I would like to see us move towards some things like a program that we are exploring in Idaho that would use some thinning of small trees in the forest for biomass, so that we have a productive use for that forest product.

Senator KYL. We have made a budget request for a similar program out of Northern Arizona University in Flagstaff to do the same thing.

Mr. Chairman, in view of the vote situation, and the fact that others may wish to question the Secretary before they go vote, why don't I terminate this question, but again compliment the Secretary for the great cooperation we have had.

By the way, one last thing we are doing in the Indian water settlements now that are going to cost a lot of money in the West, and we are trying to find some innovative ways to pay for those without having to go through the appropriations process, and we hope to bring those to your attention soon, if I can get my colleagues' cooperation on this, because it would be a way to solve these issues and provide actual wet water to our Indian neighbors without having to come back every year and fight for appropriation dollars, and I will share more of that with you in the future.

Secretary NORTON. Thank you.

The CHAIRMAN. Senator Craig.

STATEMENT OF HON. LARRY E. CRAIG, U.S. SENATOR FROM IDAHO

Senator CRAIG. Mr. Chairman, thank you. Secretary Norton, welcome. We are pleased to have you back before the committee, and pleased again to see more clearly the vision that you wish to imprint upon the Department and the direction you wish to take it.

You will not find in this committee total opposition to your concept in Land and Water conservation. There is a respectable split here between I and my chairman and Senator Landrieu and others. There is no question that if we could give all of the money to States that are, if you will, coastal States, to off-shore activity, it would encourage more off-shore exploration around our country. I would be for doing it.

I am very disappointed in the rather selfish attitude of States who put their off-shores off-limits where there are substantial reserves and then want to share in the bounty of those that, like

Alaska and Louisiana, who recognize the importance of that to our country.

But be that as it may, the one thing that worked aggressively against the CARA legislation, and my colleague from Arizona and others have expressed, is this private property acquisition problem in public land States in the West. Somehow we suffer the illusion that if the Federal Government owns it, it is environmentally safe and sound. I think the Federal Government's reputation of protecting the environment ought to be reexamined.

Clearly, the private sector can play a very vital role, and that land can stay on the tax rolls and can be a contributor to local and State governments, and as a result of that I have been opposed to the ability of the Federal Government to acquire, and/or State governments or State Fish and Game Departments. It is much better to allow the private citizen to work with and share in that experience of developing habitat and conservation programs, in my opinion, and I think it broadens the overall understanding of wise land use.

Having said that, you will find a supporter here in much of what you are talking about. I do have problems in Idaho. I have one of your agencies wanting to put grizzlies in the heart of my State. My Governor and I do not like that idea, and we are going to work with you to disallow that happening.

In the past administration they did put wolves in Idaho. We think it is time to examine them very thoroughly to determine whether they have arrived at a population base for delisting and management. They are decimating the wildlife herds of our State. We have elk herds with no calves left in them, deer herds with no fawns, domestic livestock are suffering because the wolf is doing what the wolf does well. When there is no predator in competition, it kills at will, and it is killing at will, and multiplying at an unprecedented rate, so that is a problem for Idaho, but it is a problem for the Department of the Interior to work with us in responding to that.

I agree with my colleague from New Mexico, while the PILT payment last year may have been an unprecedented high, in my opinion it is a recognized catch-up from times and year after year when it was not funded and it did not keep up with inflation.

Local units of government really do have a problem when it comes to providing services to activities on Federal lands that they are not paid for, emergency rescue, police, fire, oftentimes some road maintenance, that the Federal Government shares the bounty of, or those who trek on Federal lands have the security from, but nobody pays for it except the local taxpayer, and that is where PILT does serve a very valuable purpose and I am a bit frustrated by that cut. We will work with you to see if we cannot restore some of that and keep it relative to the initial concept of the payment in lieu of tax as we work on those kinds of issues.

So you are right about fire. Last year was the worst fire season in our country's history. A lot of BLM land burned, and my guess is it will burn again this year. It may be record rates. I hope not, but certainly what you are talking about as it relates to assistance to local communities, one of the things we have lost in the rural

West, especially the BLM West, is the right of those who live there to participate at the time of an initial fire action.

I will not forget the time when the BLM truck rolled into our ranch, deposited the cache of equipment, and gave us a few good, encouraging words, and the fire season was on, and oftentimes the local ranchers had the fire out long before the BLM and the fire crews arrived. It was the local initial engagement. We have lost that concept. We have lost it for concern of liability, for the idea that only an expert fire crew can fight on public lands, and as a result, my guess is, initial assaults oftentimes are delayed, and thousands of acres burned when they could otherwise be brought under control.

I am not sure that we can restore that, but I am working with the Forest Service to train and therefore card local civilian populations and local fire districts to have more ability to do that, and that is something that we might look collectively at.

As you know, you play a major role. You were out in Boise at the National Fire Center. What we do there cooperatively amongst all of the agencies is extremely important.

The CHAIRMAN. Senator, I am going to allow you to finish, but we are going to recess. We are just going to have to. We have three votes, and I would invite the Secretary to reside in the back. We have got some pretty pictures of former chairmen back there to look at.

Senator CRAIG. Thank you, Mr. Chairman. I will conclude this, because I have got to catch that vote also, but there are a great many things we have got to work on. I am pleased to see you emphasizing infrastructure with the Park Service. Obviously, the Indian trust issue is a very large issue for us. Let me stop and ask you to respond to any of those comments that I have made.

Secretary NORTON. I look forward to working with you on those things. Interaction with local people on fire fighting is something that I am very concerned about. I certainly want to support very good cooperation. I look forward to working with you on perhaps some training proposals. It is very important to us that we continue to work with local fire agencies, and so we are doing that as part of our ongoing process.

Senator CRAIG. Well, thank you very much. The committee will stand in recess until the chairman returns.

[Recess.]

Senator THOMAS. I think we will go ahead and begin. I am sorry, Madam Secretary, this voting takes a little longer than sometimes we think. Again, thank you so much for being here. I will go ahead and start with some questions until someone else comes.

Budgets are very important, but I just want to say, and I know you have been doing this, I think the policies and the management of the Departments has a great deal to do with it as well, and so the budget needs to be done, it needs to be done properly, but if we want to do some things to make some changes, much of that can be done irrespective of the budget, and I just wanted to make that point.

Let me go to the park budget for just a moment. Each of the budgets we hear and see—for instance here it talks about the National Park Service having \$2 million 400-some-thousand increase,

or whatever it is, \$200 million, I guess. Actually, when you look at it, if you took out the State-side money which the park manages, the park would actually have less appropriation than they did last year. What do you think of that?

Secretary NORTON. Let me let our budget expert answer that part of it.

Mr. TREZISE. Thank you, Secretary Norton.

Senator Thomas, there is an increase in the basic operating account for the national——

Senator THOMAS. I am talking about the total budget, and you put it out there the total budget is increased, and I am telling you, if you take out the State-side, which they are not able to spend, all they do is manage, then the total budget is less, is that not correct?

Mr. TREZISE. For the total budget, yes, sir, that is true.

Senator THOMAS. So there is no more money to do things with in terms of taking care of the backlog. You simply have changed some of the spending directions to aim it towards backlog.

Mr. TREZISE. I do not think that is a correct characterization. There is an increase within the operating account for the Park Service of \$60 million in new funds from the Treasury for reduction of the backlog. The reductions in the Park Service that account for your point that the overall funding is not increased are in areas such as grant programs and direct Federal land acquisition.

Senator THOMAS. I understand. My point is, it is not an increase in the park budget.

Mr. TREZISE. The overall budget?

Senator THOMAS. A simple yes or no will do.

Mr. TREZISE. Yes.

Senator THOMAS. I am not critical of that particularly, but I just think it is not quite accurate to tell people that, boy, we are working on parks, and it is the only Department that is increased, when in fact it is not.

Now, wildfire management, I think we have already spoken about that, having done that a time or two. It seems like there is an awful lot of money going to people, when in fact if we can do something more for prevention and do something more with equipment and so on, you know, people are relatively helpless to a mountain fire. I have been there, and it is tough, so how do you feel about the allocation of the money for the wildfire management?

Secretary NORTON. Senator, this is based on a national fire plan, and our implementation of that plan, and so to a large extent we are relying upon that process, which involved the States as well. In our planning process we are certainly learning as we go along here, and would be happy to look at the allocation of funds as we learn about it, but at this point we are really trying to focus on hiring and training fire fighters, both permanent and temporary employees, so that we are ready to deal with that.

Senator THOMAS. I understand, and I just think it is something that maybe we ought to look at.

Abandoned mine reclamation fund is paid in by the States, as you know, and some is supposed to be returned, actually. Apparently, according to this there will be a fairly substantial reduction, like 26 percent for Wyoming. We have been trying to get some of the money back that actually is Wyoming's money, and we have

not been successful, and now it appears we will have less than we did before.

Secretary NORTON. We would be happy to look at the Wyoming figures for you. I do not know those, but overall a large part of what appears as a cut in that program is money that last year went to a mineworker's health benefit program. \$97 million of the difference in funding was because of funding last year going into that, and so all of the money this year is really focused towards actual abandoned mine land programs, but there is a cut in that of approximately \$30 million.

We are still attempting to ensure that those things are done in the most cost-effective way possible, and in terms of number of acres treated, I am sorry, it is a \$35-million reduction, it will result in cleaning up 6,000 to 7,000 acres in comparison to the 2001 estimate of 7,200 to 8,400 acres.

Senator THOMAS. Well, I think there is a fairness issue involved, and I realize that the health fund was something separate. It was supposed to be broken down. A payment of 35 cents a ton is still there. It was supposed to be broken down for the return part of it to the State it came from, and we have never received the amount that we are entitled to, and it is a trust fund there, a pretty large one, as I understand it, so I would appreciate it if you could take a look at that. I think that is an important one.

Just another area that might be useful, I just came from the methane coal area, and I realize it is difficult to fund, and they always say, well, we do not have enough people in the Bureau of Land Management, but where the surface is owned, and the Feds own the minerals, the BLM is out there dealing with the privately owned surface, and a lot of folks do not think that that is something they need to do. I think it would be well to take a little look at the management aspect of the activities in terms of methane gas costs, and the amount of people necessary to do that.

Secretary NORTON. I will be happy to take a look at that. That is the first I have heard about the surface management issue. I know we have dealt with trying to find some rational ways of not wasting either the methane resource or the coal resource as we go forward with that.

Senator THOMAS. I understand. I just think that there has to always be a relationship between expenditures and management and efficiency and taking a look at the management aspect of it. The Government is not necessarily famous for being terribly efficient on some of those things, and we might take a look.

Just one more point. I would hope that the Fish and Wildlife Service would take a little longer look at doing, completing and delisting—you know, there is great emphasis on listing, but there does not seem to be as much emphasis on completing that and getting the recovery. Grizzly bears is a good example. We passed the numbers that were in the listing for a number of years. It is still there. It is still listed.

The State is still having to pay the price to manage those things, and I have had a bill, or an idea that I think works, and in the bill form, that when there is a listing there ought also to be a recovery plan along with it. If that is not the case, then the recovery is seldom done.

So anyway, a few ideas that I appreciate the opportunity to work with you.

Secretary NORTON. We welcome your suggestions and look forward to working with you.

Senator THOMAS. Thank you. Senator Bingaman.

Senator BINGAMAN. Thank you very much. On this issue of national park maintenance that Senator Thomas was asking about, as I understand the proposed budget, there is a request for a 7-percent increase in construction funding at the national parks, but most of that increase, or proposed increase, results from redirecting park entrance and concession fee revenues, and those are revenues which have been used in the past few years to address critical park visitor and resource funding needs.

I guess my concern is that what we are doing essentially is taking funds out of one area, redirecting them into another area, these entrance and concession fee revenues, and not providing any way to make up the funds that have been taken out, so we are sort of robbing Peter to pay Paul in a way that does not really get anything very constructive accomplished. Is that an accurate description of what is happening or not?

Secretary NORTON. Senator, if I can set out what I think our numbers are a little more accurately, we have a \$100-million increase in the amount that goes for the maintenance backlog. Of that, about \$40 million comes from either concessions fees or from visitor fees, but an additional \$60 million of that is new money, and that is money that is not coming from that fee program, and so we do have that.

In addition to that, we have a \$20-million increase in the natural resource challenge funding for the National Park Service, and that is the use of biologists to better understand the ecology of the parks, it's education efforts within our parks that are scientifically oriented.

Senator BINGAMAN. And so you are suggesting that some of that \$20 million does offset the cuts that are otherwise being made in the park visitor and resource funding areas in order to redirect this \$40 million into this, is that right?

Secretary NORTON. I would be happy to provide you some additional details, but basically we are making some reallocation, because we felt that it was important to deal with the maintenance backlog.

Senator BINGAMAN. Well, I agree it is important, but I think if we create another problem by redirecting funds out of another critical area, that obviously is a little shortsighted.

On the national monuments, you may have been asked about this while I was out for the votes, but I guess I would be interested in knowing what the status is of your review of the national monuments and conservation area designations that were made at the end of the last administration. I had assumed that—assuming those are going to remain as national monuments or conservation areas, there would have to be increased funding in order to properly manage those in their new designation, and I did not see anything in the budget to reflect that.

Secretary NORTON. We sent a letter out about a little over a month ago to Governors, local officials, State legislators, as well as

members of Congress in the affected areas asking for their input. We are still receiving information back from them about the local reaction to the monuments, and will look at that and then work with Congress on some types of changes, boundary changes and things like that, that might be appropriate, as well as look at the planning process.

We have money within the BLM budget for planning at those monuments. \$3.4 million is included for the planning process, and obviously you have to do the planning before you can actually spend the money on the ground for visitors' centers and—

Senator BINGAMAN. It is your thought that \$3.4 million would be adequate for all of the work involved for quite a few monuments, as I recall it.

Secretary NORTON. That is over and above any base-level funding that might exist for those areas already. Obviously, if you are talking about a BLM area, then there is existing funding there for management of that area, and so that funding continues as well.

Senator BINGAMAN. One other proposal in the budget is to transfer the \$2.8 million from the Geological Survey's fire science program, transfer that money over to the Department's wildlife management account. I guess I have always been impressed that that was a useful program in the Geological Survey. What would you see that money being used for in this other area, and what would happen to that activity in the Geological Survey? I am sorry, that is wildfire. I said the Department's wildlife management. I meant wildfire management account.

Mr. TREZISE. Senator Bingaman, within the wildland fire program there is an existing fire science program that has been funded for a number of years. Our proposal this year is to consolidate the GS wildland fire science work, which has been conducted essentially on a separate track, into a consolidated program.

We would anticipate that the same scientists in the GS who are doing fire science work will remain at the same locations doing fire science, including continuing many of the same projects, but it will be done in better coordination with the larger, broader fire science program being conducted through the fire program.

Senator BINGAMAN. So you do not see a diminution in the effort, level of effort or the number of people working on it?

Mr. TREZISE. No. The USGS people will remain in place, and remain doing fire science.

Senator BINGAMAN. Okay. In some of these other GS areas I assume that is not the case. For example, there is a \$10-million cut in the toxic substances hydrology research program at the Geological Survey that has just got to be a reduction in the number of people working in that area of activity. Am I right?

Secretary NORTON. That is an area where we are trying to find outside partnerships and consult with people about, perhaps, other ways to continue that program. That is one approach that USGS has done in the past. It may duplicate the efforts that are currently being done through States and through the Environmental Protection Agency.

We are also looking at the need for that program as something independent from the other very similar programs that are being

done by other agencies, and so it may result in something that is a cost-sharing kind of proposal for that, or in discontinuing it.

Senator BINGAMAN. My time is up, Mr. Chairman. Thank you.

Senator THOMAS. Just a couple more comments. You have probably had about enough fun this morning. To come back to the park thing and the reallocation of funding, and I understand that one of the things we talked about in our parks bill a couple of years ago was the idea of strengthening the opportunity to write out contracts for large concessionaires.

To the best of my knowledge, that has not been done, and if you take away money, as you say you have for other purposes from the concession funds, they are not going to be able to have the kind of expertise that is necessary to renew AMFAC, for example, in Yellowstone Park, or many of the others, so I guess I would like to urge you to give some thought to how we provide for the Park Service the kind of expertise to deal with these large concessions, and they are quite important. Many of them have not been renewed. They are on a yearly basis, and that is not what the law asked for, nor is the best efficiency in terms of money.

Secretary NORTON. I know that Pricewaterhouse did a study for the National Park Service about their capabilities, and it found, as you suggested, they did not have the capabilities for those major concessioners, and that that should be contracted out. That is something that seems appealing to me that we should do, and we are working with the Park Service to implement that.

Senator THOMAS. And that does have something to do with the shifting of concession fees, so I do want to say how much I appreciate and support your idea of moving some of these land use decisions back closer to the people that are there.

I think that is a great idea, and so I think some of the changes you talked about this morning in the Land and Water Conservation Fund are good changes that allow there to be some flexibility there, so I happen to have a bill on no net gain in Federal ownership in States that have over 25-percent Federal ownership, and I am very happy to see—last year, despite the backlog in parks, there was more money in for acquisition than there was for maintenance, and I do not think that makes sense.

Just one final comment on the PILT payments. I do think that if you want to put decisions back where they belong, PILT actually is supposed to be a substitute for the taxes that these counties would be getting if those lands were in private ownership, and these counties have to provide health care, they have to provide emergencies, they do all of those services, and it seems to me in terms of flexibility that is one of the best things we can do to move towards that authorization level, which is over \$300 million, and I hope we can move that.

So thank you so much for being here, and thank you for working with us here, and we look forward to working with you.

Mr. Chairman, thank you.

The CHAIRMAN. I think we have kept the Secretary long enough, and I want to apologize for the hour and 10 minutes that it took us to go through three votes, and I expressed my outrage on the floor, and it was backed up by Senator Byrd, who expressed his outrage at greater length than I did, so that took some time, but

nevertheless, it is almost lunchtime, and hopefully the Secretary has worked up an appetite.

A couple of things that are unique, I think, to the various States that have come out of the discussion, and one of them is the PILT, the payment in lieu of taxes, the concern that we have all expressed relative to a reduction in that, and we would like you to reconsider that.

The other thing, depending on the various States, but certainly appropriate in our State as we look at the Land and Water Conservation Fund and the formula for Federal land acquisitions, and I have looked at the budget, and there are three or four land acquisitions in my State, and my immediate reaction to those is, well, here we go again.

We have got a State that is 80 to 90 percent owned by the Federal Government, depending upon whether you classify State government or private Native land in that ownership. We have very little private land. It is less than 1 percent, and when these inholdings are proposed in your budget using, I assume, through the appropriations process, the portion of the Federal land acquisition, that means that we have that much less private property in the State, and it is kind of a two-edged sword from the standpoint of those owners of the inholdings. Some of them are so frustrated at their inability to have access and develop their inholding that they finally succumb to the pressure of Big Brother and are ready to sell.

The irony and, of course, the inconsistency is, well, there goes some of the private land that we used to have that could be used for any number of purposes that could benefit the public, whether it be recreation or tourism or whatever.

In any event, that is a dilemma we face, so I am going to look long and hard at your proposed funding for inholdings in our State relative to, is it the reason that the individuals are putting them up for sale, because they are so frustrated with the Federal agencies because of the lack of access, and they would like to develop them if they had access.

Of course, the access is guaranteed, in theory, under ANILCA, but in practicality it is like we get into mining issues in Denali, which is not in the Wilderness. It is in the new park. It was assured under ANILCA, but the Park Service has never issued a mining permit, so these poor people are running down rabbit trails, frustrated, getting older, and finally they reach the point where they are ready to concede, and that is the expression we have had for a long time.

So maybe we can work together to try and resolve this, because these people are not going to live forever, and of course that includes you and I, so with that profound observation, do you have anything to comment on?

Secretary NORTON. We will work with you on the land acquisition issues and other things.

The CHAIRMAN. With that, we will say we are adjourned. Thank you very much. We appreciate your being with us.

[Whereupon, at 11:55 a.m., the hearing was recessed, to be reconvened on May 10, 2001.]

PROPOSED FISCAL YEAR 2002 BUDGETS FOR THE DEPARTMENT OF THE INTERIOR AND THE NATIONAL PARK SERVICE

THURSDAY, MAY 10, 2001

U.S. SENATE,
SUBCOMMITTEE ON NATIONAL PARKS,
HISTORIC PRESERVATION, AND RECREATION,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:45 p.m., in room SD-366, Dirksen Senate Office Building, Hon. Craig Thomas presiding.

OPENING STATEMENT OF HON. CRAIG THOMAS, U.S. SENATOR FROM WYOMING

Senator THOMAS. I apologize for being a little late. We had a couple of votes. Voting just keeps interrupting our work around here. In any event, welcome.

This is an oversight hearing for the Subcommittee on National Parks, Historic Preservation and Recreation. Today our intention is to review the President's proposed fiscal year 2002 budget for the operation of the Park Service and to discuss how it's going to fit into the plans we've made and plans that you've made and where we're going to be. It is an ambitious budget proposal.

I note the budget requests an overall increase of approximately \$342 million. This is an increase of approximately \$76 million for operation services, and an increase of \$20 million for natural resource challenge to strengthen resource management throughout the park. That's good.

In order to meet the administrative efforts to eliminate the Park Service maintenance backlog, there has been an increase of \$24.5 million on the line-item construction, as well as an effort to direct some recreation and concession fees to fund the maintenance backlog initiative.

Most significantly, this budget proposes full funding for the State-side Land and Water Conservation Fund, an increase of approximately \$340 million.

This is an ambitious budget, which includes some aggressive steps towards addressing long-standing issues of the Park Service. However, I have some concerns about it. In simple terms, once we take out the past three programs such as the State-side for Land and Water Conservation Fund, the budget has actually decreased

from last year. The budget proposes to redirect recreation and concession fees to help finance the maintenance backlog.

I'm concerned particularly about the backlog of concessions contracting. Frankly, I don't see how their concession firm can move forward if the funds are diverted elsewhere.

The Recreation Fee Program is designed to enhance a variety of visitor services, not just to fund construction and maintenance needs. We've devised a system to identify and evaluate needs at the park level, along with the review process, to ensure the highest priority projects are addressed. I'm not sure how the redirecting of these funds will impact these priorities in our ability to provide services for visitors.

The budget makes significant reductions in historic preservation funds and air and park recreation funds. While the budget proposes to broaden the types of programs that are available, under the Land and Water Conservation Fund, not all of the programs impacted will qualify for funding. There are other issues concerning the Land and Water Fund that we'll address this afternoon.

So rather than a long statement, it's more important to hear from our witness, and there are a number of small housekeeping items that need to be addressed.

The hearing record will remain open, however, for a period of 2 weeks for anyone wishing to make any comments.

Senator from Hawaii, glad to have you, sir.

**STATEMENT BY HON. DANIEL K. AKAKA, U.S. SENATOR
FROM HAWAII**

Senator AKAKA. Thank you, thank you very much, Mr. Chairman, for requesting this hearing. I want you to know that I appreciate the hard work you have done on the Park Service issues. We have worked well together in the past on a number of important parks issues, and I look forward to our collaboration this year as we address the challenges and needs facing our national parks.

I would like to extend my aloha to Mr. Denis Galvin, Acting Director of the National Parks Service, who has been a frequent witness in this hearing room. His service to parks and to our committee also is greatly appreciated.

There are several things that please me about the fiscal year 2002 Park Service Budget Request from President Bush. The first is an increase of \$246 million in the budget over fiscal year 2002 enacted for appropriations.

Because of increasing visitorship, preservation, and management demands on national parks, the increase is a bright spot in the overall budget that many of us believe falls short in making the necessary investments in education, health care, and other critical national priorities that have bipartisan support.

Additionally, I'm pleased to see the administration's priority for addressing the deferred maintenance backlog for repair and rehabilitation of park facilities. I agree that we must maintain roads, trails, and visitor centers and national parks. The parks are our national resource ambassadors for visitors from around the globe and to Americans alike.

I am also pleased to see that the Department of the Interior proposes to continue an increase in the Natural Resources Challenge,

an initiative that focuses on natural resource preservation in our parks. As you know, we are fighting an up-hill battle in Hawaii to maintain our native species, many of which are endangered by invasive plants and animals.

Lastly, I'm particularly pleased that the National Park Service has recognized Hawaii's needs and provided some important increases for Hawaii's national parks.

First, the NPS request for land acquisition for national parks makes 18,600 acres of prime native forests adjacent to Hawaii Volcanoes National Park its number one priority for acquisition.

The Kahuku Ranch on the island of Hawaii encompasses spectacular and wide-ranging ecosystems. It spans 115,000 acres from 2,000 to 13,000 feet elevation, encompassing the entire range of native ecosystems on Mauna Loa. This property, if acquired, will link over 500,000 acres of land in cooperative Federal, State, and private conservation management from the windward and leeward coast to the summit of Mauna Loa.

I appreciate the Park Service' vision and commitment to conservation in Hawaii and look forward to working with the service on the proposed purchases.

Second, Hawaii receives an operational increase in the proposed budget for one of the most spectacular parks, Kalaupapa National Historic Park. The statue of Father Damien stands proudly in Hall of the Columns of the U.S. Capitol as a proud reminder of the stewardship and love for Kalaupapa. The increase will allow the park to undertake recovery plans that control alien species and restore native habitat.

Mr. Chairman, I have questions that I would like to ask at the appropriate time and thank you for this opportunity.

Senator THOMAS. Thank you, Senator.

Mr. Galvin, welcome the acting director again.

Mr. GALVIN. Thank you, Mr. Chairman. If it pleases the Chair, I would like to ask Bruce Sheaffer, our controller, to accompany me.

Senator THOMAS. Certainly.

**STATEMENT BY DENIS P. GALVIN, ACTING DIRECTOR,
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR**

Mr. GALVIN. I have a prepared statement I have prepared for the record. I'll simply summarize it.

I thank you for the opportunity to appear before the subcommittee today. The fiscal year 2002 request of \$2.5 million in appropriated funds is, as you pointed out, a net increase of \$346 million above fiscal year 2001.

\$1.5 billion would fund National Park Service operations, that includes a separate activity for the U.S. Park Police. The request is highlighted by three key initiatives: Full funding of the Land and Water Conservation Fund, continued support for the National Park Service Natural Resource Challenge, and additional funding for improving and rehabilitating park facility infrastructure.

Fully funding the Land and Water Conservation Fund is at a level of \$900 million, \$450 million for State grants within the National Park Service budget, and an additional 450 million scattered across other of Federal land managing agencies.

The State grant program principally has been used for public outdoor recreation. This year the administration is proposing to include projects which would conserve and restore threatened wildlife, wetlands, and habitats. It is estimated that approximately 5,700 new grants would be awarded to the States.

Projects would range from acquisition of open space in natural areas, to the development of active-use facilities.

In addition, in a new provision, \$10 million would be set aside to be apportioned to federally recognized Indian tribes through a new competitive grant program.

In addition, Mr. Chairman, you noted that \$20 million has been funded for the third year of the 5-year Natural Resources Challenge. This program, which has been supported in its first 2 years generously by this subcommittee and by the Congress, is critical to sound management and decision making for resources within the parks. It has strengthened our inventory and monitoring, it has allowed us to put exotic species teams in the field to eliminate invasive and exotic species.

We have expanded our network of university partners and begun to staff a network of learning centers to support research.

The third initiative is increased funding and support of the President's commitment to address facility infrastructure needs in units of the National Park System. This is spread across a number of activities in the budget, including, as you pointed out, in earmarking of the fee demonstration projects and concessions, fee revenues. It totals \$440 million for the entire range of activities that are dedicated to retiring the deferred maintenance and infrastructure backlog.

There are some specific increases requested. We have our request to improve the software management system that we use to follow our project management history. It's called the Project Management Information System. It was developed in 1998 and is now fully operational. We're asking \$500,000 to upgrade that program.

In addition, we continue to develop a software system for our facility management program. We anticipate that at the end of this fiscal year 2001 this system will be operational in up to 120 park units.

The system will enable us to continue consistent conditioned assessment at all facilities. And it will allow us to provide Congress with a clear listing of priority projects for the National Park System to address its needs systematically.

We've talked previously about the business plan initiative, which is not a budget item per se but sheds considerable light on the budget of individual parks. We will continue that program this summer with the National Parks & Conservation Association, employing students from the best business schools in America.

Other specific issues addressed in the 2002 proposal include \$1.2 million for bison management in and around Yellowstone in cooperation with the State of Montana. \$1 million to improve our structural fire readiness throughout the park system, \$5.5 million to support implementation of the comprehensive Everglades Restoration Plan. And \$30 million is our budget amendment, not outlined in the original administration proposal that came to the Hill. \$30 million to continue funding for the Save America's Treasures

Program in the Historic Preservation Fund. That amendment was submitted by the President on May 7.

In addition, the budget proposes to increase the efficiency of our management of public funds which would result in a savings of approximately \$6.1 million by reduction through management consolidation, decrease travel costs, and \$500,000 of savings using technological advancements such as electronic contracting.

Due to the expanded opportunities for State grants for recreational purposes through the \$450 million State grants program, as you point out, a nearly \$350 million increase there, no funds are requested for the Urban Parks & Recreation Recovery Grants Program.

Funding is also discontinued for the historically black colleges and universities assistance done through the Historic Preservation Fund, as that has reached its fully authorized level of \$29 million.

That concludes the summary of my statement, Mr. Chairman. I would be happy to answer yours and Senator Akaka's questions on the budget proposal.

[The prepared statement of Mr. Galvin follows:]

PREPARED STATEMENT OF DENIS P. GALVIN, ACTING DIRECTOR, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR

Mr. Chairman, thank you for the opportunity to appear before you to discuss the Fiscal Year 2002 budget request of the National Park Service.

The FY 2002 request of \$2.5 billion in appropriated funds for the National Park Service (NPS) reflects a net increase of \$364 million above the FY 2001 enacted level. Of the total amount, \$1.5 billion would fund NPS operations, including the U.S. Park Police. The request is highlighted by three key initiatives: full funding of the Land and Water Conservation Fund, continued support for the NPS Natural Resource Challenge, and additional funding for improving and rehabilitating park facility infrastructure.

The budget request supports the President's commitment to fund fully the Land and Water Conservation Fund (LWCF) at a level of \$900 million, including \$450 million for State grants within the NPS budget. The \$450 million State grant program funding level would significantly increase the National Park Service's capability to assist States and local governments in meeting the demand for public outdoor recreation and conservation needs. Matching funds would be available to assist States in developing their State plans, a prerequisite for participating in the LWCF program, as well as for the acquisition and development of public outdoor recreation areas and facilities, including projects which conserve and restore threatened wildlife, wetlands, and habitats. It is estimated that approximately 5,700 new grants would be awarded. Projects would range from acquisition of open space and natural areas to the development of active-use facilities. In addition, within the amount requested, \$10 million would be set aside to be apportioned to Federally recognized Indian tribes through a new competitive grant program.

This budget proposes an increase of \$20 million for the third year of the Natural Resource Challenge. Continued funding of this initiative is a priority in order to provide a level of information that is critical to sound management and decision-making for resources within the parks. The support of Congress for the Natural Resource Challenge in the previous two fiscal years has enabled us to increase significantly our resource management in the parks through strengthened inventory and monitoring. We have expanded our network of university partners, fielded four teams to deal with exotic species, and begun to staff a network of learning centers.

The third initiative is increased funding in support of the President's commitment to address facility infrastructure needs in units of the National Park System. The request includes \$247 million for line-item construction (an increase of \$138 million over last year's request), \$15 million for housing replacement, \$3 million for the dam safety program, and \$75 million for repair and rehabilitation projects. These programs would increase by \$61 million over FY 2001 levels and, with another \$40 million in fee revenue directed toward elimination of the deferred maintenance backlog, the FY 2002 NPS budget would increase park facility infrastructure work by over \$100 million.

In conjunction with the increase in infrastructure funding, the proposed budget would enable NPS to continue to improve the software management systems we have put in place to help track and prioritize projects. Our Project Management Information System (PMIS), initiated in phases beginning in 1998, is now fully operational and provides a single, easy-to-use vehicle for parks to identify and prioritize project requirements systematically. We are also continuing the implementation and field testing of a new system for management of our maintenance operations, the Facility Management Software System (FMSS). We anticipate that at the end of FY 2001, FMSS will be operational in up to 120 park units. The budget request would enable us to complete the deployment of the system in FY 2002 and allow the system to be fully operational in all parks in FY 2003.

In addition to the new management systems, the NPS is conducting a Servicewide comprehensive condition assessment of all facilities. Additional funds are requested in this budget to continue the multi-year effort as parks are brought online with the maintenance software. The continuing condition assessments, along with the full implementation of the management software systems, will enable the NPS to provide Congress with a clear listing of priority projects for the NPS to address systematically. It will take time before all of the assessments are complete, but our goal is to begin in FY 2002 a process that uses available data to make reliable estimates of deferred maintenance needs and establishes objective measurements of facility maintenance performance.

Other management reforms made by the NPS include the Business Plan Initiative, which has been accomplished in 24 parks in partnership with the National Parks Conservation Association. A business plan for a park includes the cost of core park functions, any gap between current funding and identified need, and the park's strategy for addressing the difference. The information from the business plan can then be used as input to the NPS project or operations management systems, depending on the specific needs identified.

Other specific issues addressed in the FY 2002 budget proposal include:

- \$1.2 million for bison management in cooperation with the State of Montana. This request is the result of the signing of a Record of Decision (ROD) between the Secretary of the Interior, the Secretary of Agriculture, and the Governor of Montana regarding the movement of wild bison from Federal to private lands in and around Yellowstone National Park. The ROD calls for the establishment of a Joint Bison Management Plan to reduce the unnecessary killing of bison and mitigate the risk of brucellosis infection passing from bison to livestock.
- \$1 million to improve our structural fire readiness. This request is the beginning of a planned four-year effort to establish an accountable and comprehensive system to respond to deficiencies at park facilities noted in a study conducted by the General Accounting Office in 2000.
- \$5.5 million to support implementation of the Comprehensive Everglades Restoration Plan (CERP). This request is in response to the effort that was authorized under the Water Resources Development Act of 2000, with the Corps of Engineers as the lead Federal agency. This budget request represents full participation by the NPS in CERP implementation and supports projects that directly affect NPS managed lands in South Florida.
- \$30 million to continue funding for the Save America's Treasures program in the Historic Preservation Fund. The President requested the continuation of this program in his May 7, 2001 Budget Amendment. This program would leverage private funding by requiring an equal match of non-Federal funds for projects to restore nationally significant historic sites, structures, or artifacts.

The NPS is also committed to increasing the efficiency of our management of the public funds entrusted to us while maintaining the operational capabilities of the parks. This budget would realize savings of approximately \$6.1 million through the following streamlining actions: \$4.4 million in management consolidation, \$1.2 million in decreased travel costs; and \$500,000 in using technological advancements, including electronic contracting, to create savings through more efficient systems and processes. Through further streamlining, in keeping with Administration policy for all the Department of the Interior bureaus, the NPS would absorb about \$11 million in additional fixed costs.

Due to the expanded opportunities for State grants for recreational purposes through the \$450 million State grants program, no funds are requested for the Urban Parks and Recreation Recovery grants program. The request also discontinues funding for the grants program for Historically Black Colleges and Universities, which has been funded to its fully authorized level of \$29 million. The request also reduces funding levels for Statutory or Contractual Aid, Historic Preservation Fund grants, and partnership funding for Heritage Areas.

Mr. Chairman, this concludes my statement. I will be pleased to answer any questions you or other members of the subcommittee may have.

Senator THOMAS. Thank you very much. Why don't we do 5 minutes, and we'll trade back and forth, if you will, please.

I read, I think, that you deny that the park had said there would be no new parks currently. What was that statement?

Mr. GALVIN. The administration's position is currently developing on that. This was sort of crystalized in the proposals for some new parks in the house. There is a considered case-by-case decision to be made on studies. So the administration is saying we are not opposed to doing new studies, but we will not say what our position is until we have a proposed study.

Furthermore, because of our backlog of studies commit the amount of money we have under current requests, we will not be sending Congress a list of new studies this year.

Senator THOMAS. But there could be some presented to you from the Congress?

Mr. GALVIN. Indeed, and there are several bills that have already been heard in the House that the administration has supported.

Senator THOMAS. One I understand is being pushed to go without a study.

Mr. GALVIN. Yes, although the administration's position was that a study should be done before the area is authorized.

Senator THOMAS. I think that's an agreement we made some time back.

Mr. GALVIN. Indeed it is, and it is that the entire system, of course, is outlined in the Omnibus Bill of 1998.

Senator THOMAS. The notion is that the park budget set higher when you take out—well, let me say the land and water State-side is not for the national parks; is that correct?

Mr. GALVIN. That's correct. The national parks—

Senator THOMAS. Administers the fund?

Mr. GALVIN. That's right, we administer, but the money goes to the States.

Senator THOMAS. So absent that really the funds that go to the park are actually less than they were last year.

Mr. GALVIN. About the same, actually, if you—well, with the amendment now, the \$30 million amendment in the Historic Preservation Fund, there's actually an increase, but, again, that's not a program that principally is directed to parks. So the balance of the budget is a series of trade-offs.

There are increases in park accounts because there are decreases in things like Natural Recreation and Preservation and the Historic Preservation Fund.

Senator THOMAS. I understand that, and I don't have any particular problem with that. But I think it's a little unfortunate to go around saying it has been increased when, in fact, it hasn't.

Mr. GALVIN. The net is—you're absolutely right on the net. The net increase goes to programs outside the parks.

Senator THOMAS. The Fee Demonstration Program, at least the thrust of it, has been to create things that are advantageous and visible to visitors. And now do I understand right that much of that will be diverted then to backlog, to building repair, to sewers, and that sort of thing?

Mr. GALVIN. Well, a fair amount of it has—goes to that already, but the—we're still trying to work with the 60 percent formula to see what it means. It gets fairly complicated because, as you know, Senator, the fee demonstration program has an 80 percent/20 percent formula for distribution. So there may be some parks where the—where the 60 percent of the 80 percent, so to speak, won't be able to be directed to backlog items.

So it's a concept that works if you look at the total numbers, but it may not work so well on individual parks or programs. And we're still working our way through that.

But I think the thrust of your question is correct that if you looked at what the fee money was used for in the first three years, this would change the mix of projects.

Senator THOMAS. What is the Park Service's position on the—I think the fee demonstration project expires, doesn't it, in about another year?

Mr. GALVIN. Yes, this budget request year is the final year. We are proposing permanent legislation.

Also through the National Park Foundation, we're having the McKinsey Corporation take a look at the experience with fees with the principal idea of trying to simplify fees as—simplify and make more uniform fees as they're presented to the public.

And I've met with them several times. They have surveyed a number of parks. They expect to be finished with their final recommendations about the end of this month. So I'm hopeful that that input will help us, along with the Congress, work our way through a permanent fee program that is simple to the public and yet generates considerable revenue.

Senator THOMAS. Who is doing that research?

Mr. GALVIN. McKinsey.

Senator THOMAS. What is that?

Mr. GALVIN. They're a consulting firm, real estate, accounting, management consulting.

Senator THOMAS. Private?

Mr. GALVIN. Yes.

Senator THOMAS. Senator.

Senator AKAKA. Thank you very much, Mr. Galvin. I understand the need to address the backlog of maintenance and repair in national parks and wanted you to know I support funding for repair and maintenance for deferred projects.

The use of transportation funds from TEA-21 for road construction and repair makes sense. And we can rely on this funding for another 2 years. Please explain the rationale behind taking \$100 million of park entrance and construction fees from the Recreational Fee Demonstration Program and redirecting them to construction projects.

I am concerned that this decision undermines ability of local parks to make decisions on priorities for their recreation fees, recreational fees which are intended to remain at the specific park.

There is a planning and review process for these funds, and I would prefer to see local parks continue to use their fees to decide whether to allocate the funds to construction or to use them for other needs. Can you explain that rationale behind taking that \$100 million from park entrance fees?

Mr. GALVIN. Well, as I said to Senator Thomas, a fair amount of the existing fee program does go to deferred maintenance and does go to rehabilitation of physical facilities and parks. But as you correctly point out, most of this money goes back to the collecting park.

So it's not as if it is available as a service-wide fund that can be distributed at anybody's discretion. And there are indeed difficulties if you say if you run a park that doesn't have sufficient deferred maintenance needs but is a significant fee collector, they use those funds to augment visitor facilities in projects that, as Senator Thomas said, are more visible to the visitor.

We're currently trying to do a park-by-park analysis of the 60 percent set aside to see if indeed they can be used for maintenance. And, as I said to Senator Thomas, it will result in a different mix of projects than what we've done in the first 3 years. I mean, direct visitor facilities would be out and, as he points out, sewage-treatment plants and water-treatments plants would be in.

Senator AKAKA. I'm pleased to see the President's commitment to full funding for the Land and Water Conservation Fund.

The National Park Service's share of the President's fiscal year 2002 request for Federal land acquisition is \$95.1 million which is \$18.3 million below the fiscal year 2001 enacted level and \$40 million below President Clinton's fiscal year 2001 request.

I note that the Land and Water Conservation Fund includes \$60 million for two new programs for land owner incentives and private stewardship. Has the Park Service completed its priorities for acquisitions and are the funds no longer needed for land acquisition and available to be reprogrammed for other activities?

Mr. GALVIN. We're a long way from completing our land acquisition priority list. As you know, Senator, the Federal side is shared by four agencies and the split between the four agencies of the sum \$450 million was presumably determined by the Departments of the Interior and Agriculture through a priority-setting process, and this year it was judged that our priorities resulted in a lesser total. That's regrettable to us, but your observation is correct, it's less than it was last year.

Senator AKAKA. I'm pleased, as I said, that Kalaupapa National Historic Park received an operational increase. It was one of only 20 parks that received additional funds this year.

My concern is that the vast majority of the 384 parks received very small increases for operation of the National Park System. Only 5 percent will have new funds to manage their parks, provide for improvement, interpretation, and education and to take care of visitor requests. Can you explain the rationale for limiting the operational increases for Park Service units?

Mr. GALVIN. Well, as you pointed out, very few parks got additional program increases this year. We did the best we could for fixed costs. And many of them got a fair percentage of their fixed costs.

The lack of operating increases simply comes from the need to concentrate on the backlog and from fully funding State-side land and water. When you look at what's under the umbrella, once you get through with all of those numbers, the new programmatic in-

creases in parks, there were very few of them. As you point out, 25 of them I think that's pretty close.

Now, everybody did get most of their fixed costs, that is, their pay increases and increased lease costs and non-payroll costs. But even there not everybody got all of those.

So it's a fairly tight operational budget.

Senator AKAKA. The designation of AIA Kahakai as a national historic trail on the Big Island was signed into law last November and the trail has been widely anticipated in Hawaii as a recreational and interpretive opportunity, and because of the need to curtail mistreatment of the cultural sites and resources. No funds have been requested for fiscal year 2002, and I'm told the reason is because the act was signed into law late last fall after the budget process was well underway.

Looking to the future, could you provide information on your plans to support the project, or do you have cost estimates as to the funding needed to manage the trail? And, finally, do you anticipate requesting the funding in the next budget cycle?

Mr. GALVIN. Yeah, we certainly anticipate requesting operational funds. There are actually about five new units that were created late enough in this budget cycle that aren't covered in this 2002 budget. With respect specifically to the trail, I am not sure, but we have a separate fund for planning trails available to us. So to the extent that we need to start planning for the trail, I believe we can do it in this budget, and we certainly will be requesting operational funds for it in the future.

Senator AKAKA. Thank you very much. I appreciate your responses. Mr. Chairman, thank you.

Senator THOMAS. Let me turn a minute to concession fees. I think you indicated there would be some redirection of concession fees into the maintenance and backlog. At the same time, there is a fairly severe backlog of concession contracting. Now, if the fees from concessions go to backlog, how are you going to pay for doing the rather detailed concession contracting that needs to be done?

Mr. GALVIN. A very good question, Senator. The way the concessions' fees get included in the backlog is that it is—the number is \$100 million and that's 60 plus percent of \$160 million collected in fees. That \$160 million includes concessions franchise fees.

So the assumption is indeed that 60 percent of the concession franchise fees will go to the deferred maintenance backlog.

But we know from private studies done by Pricewaterhouse that we need considerable contract assistance in negotiating the larger contracts that are expired and coming up for big ones right now, two of which are out on the street right now. And two are going out very shortly. And then as many as another 100 contracts that will be mostly lumped in some large proposals.

But the consultants we've engaged in the concession advisory board indicate correctly that to successfully negotiate those contracts, we would need considerable private contracting help.

It had been our assumption, prior to the formulation of this budget, that we would use a considerable amount of the concession's franchise fees to do that.

Now we are rethinking that to see—we still need the contracting, there's no doubt about it. So we're looking to see if there is someplace else we can find that money, frankly.

Senator THOMAS. It appears that the contracting makes a contribution over time to the income.

Mr. GALVIN. There's no doubt about that. In fact, Pricewaterhouse points out that there is a very large swing between successfully negotiating a contract and having a—well, say, just in terms of differences in franchise fees in these contracts because they're so large. There's no question that an investment in contracting would result in increased fees in the future.

Senator THOMAS. Well, it's kind of scary in that moving forward with the backlog of concession contracts has come along very slowly. Now you take some of the money away, and it seems like you could expect it would be even slower.

Mr. GALVIN. I share your concern. Well, the contracts are coming up whether we contract for them or not.

Senator THOMAS. Well, I know, but what you do is extend them for a year, and you do away with the competition and do away with the opportunity to have more money.

Mr. GALVIN. We don't want to do that, and the option seems to be to do it ourselves and get some expert help. And I sure want the expert help.

Senator THOMAS. I hope so. We suggested that, you remember, a couple of years ago.

Mr. GALVIN. Indeed.

Senator THOMAS. How long do you think—let's take a look specifically at AMFAX in Yellowstone Park. How long do you think it would take Pricewaterhouse to put together that prospectus?

Mr. GALVIN. I really don't know. I don't have a precise answer to that question, Senator. Two of the large contracts are out on the street right now. I just don't know whether AMFAX is one of them. But I think we're talking about a year or two for successful conclusion of those.

Senator THOMAS. AMFAX expires next year. It's not the only one, but it has come up. You know the proposition is they are going to get a shorter term, and whether this is being done or not.

Mr. GALVIN. We hope not.

Senator THOMAS. Well, you need to take a look at it because they're making it very attractive to do that for 3 years, as you know.

In any event, I think those have to be given some priority, and I certainly hope that you can do that.

Mr. GALVIN. We agree.

Senator THOMAS. The law enforcement, we had a couple of studies mandated by Congress and undertaken by the Agency to make recommendations with respect to the Park Service law enforcement needs. The budget doesn't seem to address these specifically.

Mr. GALVIN. It doesn't. And, again, this budget is pretty limited on the real programmatic increases in operations. In most instances, what we funded were new operations or obligations like the brucellosis study or brucellosis operation at Yellowstone where we had an agreement with the State and really had to go. It was really the 15 or 20 things we funded are all in that category.

Senator THOMAS. I think the police operation here was one that was pretty clearly in need of additional funding.

Mr. GALVIN. That's right. Well, when you add them all up there are I think I remember something like 600 additional personnel, 100 in the park police. And the balance and park rangers. And that's—that's still on our agenda. But we just weren't able to get it into this budget request.

Senator THOMAS. This brucellosis had been going on forever. I'm sorry, I don't have much sympathy for that. I don't know how many years we've had the brucellosis study in the park.

Mr. GALVIN. No, this isn't a study. This is——

Senator THOMAS. I understand, but we've had a study for years.

Mr. GALVIN. I know that.

Senator THOMAS. I finally got—it isn't a very difficult thing to figure out. You have too many Buffalo in the park.

Mr. GALVIN. Someone to work with the State of Montana on the ground to solve that problem.

Senator THOMAS. I'm going to look for a time when you've got it solved because it has absolutely gone on forever. I bet it's gone on for 10 years.

Mr. GALVIN. Well, the——

Senator THOMAS. It doesn't matter. I think I've made my point.

Senator AKAKA. Mr. Galvin, as you know, Pu'u'honua o Hónavnau National Historical Park is a premier cultural and historical park in the United States. Its original legislation did not include authority to expand its boundaries.

However, the opportunity to expand the park to include an historically complete native Hawaiian site and watershed now presents itself. The expansion has full support of the community and a willing seller in the private sector.

And this opportunity, as you know, does not come very often. When it does, it is appropriate to act decisively. To take no action would undermine, of course, an important opportunity for the Park Service.

What are your thoughts regarding expanding the boundaries of existing parks when there is an opportunity to purchase additional lands adjacent to their boundaries?

Mr. GALVIN. Senator, to specifically answer your question about Pu'u'honua, we are preparing legislation to expand those boundaries. It has not yet moved its way through Interior, but I've seen it. And we do definitely support the expansion of the boundaries there.

And the acquisition of the property through the use of Federal Land Acquisition Funds. And, generally speaking, in answer to your question, when there are important resource or visitor services issues that can be improved through the—through a boundary adjustment, generally we would be in favor of it.

Senator AKAKA. Well, thank you again for your responses and thank you, Mr. Chairman, for this opportunity to ask these questions.

Mr. GALVIN. Thank you, sir, appreciate it.

Senator THOMAS. Denny, there are some alternatives in this AMFAX thing. I realize you may not know now, but I wish you could get back to us. This contract expires in a year, and there's

an opportunity, I guess, for them to make a shorter term which is provided under the law and make some contributions in terms of construction. But I think we need to know how long it's going to take to prepare.

Mr. GALVIN. I'll get you an answer for that, Mr. Chairman.

Senator THOMAS. Okay, I appreciate it.

The backlog is interesting. Do you have a list of priorities for backlog? Do you have a list of backlogs?

Mr. GALVIN. We have a 5-year program that totals—we have a list that totals \$2.2 billion. That's the non-road portion of the backlog. The road portion of the backlog is \$2.7 billion. We actually have a Federal highway survey that justifies that number.

Senator THOMAS. Do you have a list of priorities?

Mr. GALVIN. We have a 5-year program that is listed in priority in year. In fact, every project has a priority number on it. It goes through a priority ranking system that gives it a score.

Senator THOMAS. So you have for this budget year a certain number of those that will be done this year?

Mr. GALVIN. Yeah, and they were all ranked by priority with a couple of exceptions where there were needs to fund a project because another agency was spending money on it or they're finishing up a project from prior years.

Senator THOMAS. What's the accountability to the park superintendent or regional director as to what's done?

Mr. GALVIN. The way the priority system works is the park justifies the project, describes it, and then an interdisciplinary panel scores the project based on its contributions to safety, to resource protection, to visitor services.

There are about five categories that each project scored against. And then that's essentially the way the national priorities are set.

So all of these projects start in the park. In fact, that project management information system that I mentioned in my opening remarks is essentially a park database for all of the projects in a park.

Senator THOMAS. I guess that's kind of what concerns me. I suspect—I have the impression that that's kind of how it is. They're all out there, and it has been people—the leadership has been reluctant to step up and say, all right, it's this one, this one, and this one this year.

Mr. GALVIN. No, we do that.

Senator THOMAS. I want that done.

Mr. GALVIN. We do that.

Senator THOMAS. You haven't been doing it, apparently, to get \$2 billion behind.

Mr. GALVIN. That may be too low a rate of investment.

Senator THOMAS. Then how with the same amount of money are you going to do it this year?

Mr. GALVIN. Partially we're redirecting resources to that particular focus, to the \$440 million times five equals \$2.2 billion. But, Senator, there's no question that you're correct. With this big an infrastructure that you're kind of always running to catch up.

You know with places like the south side of Ellis Island and physical facilities in some of the bigger Western parks, Glacier, for

instance, there are huge investments to be made there that are problematic.

Senator THOMAS. Well, I know and I understand. And it's a problem, but it's a little difficult to create in your mind that here's the notion for all of these years we've let these things happen. Now we have basically the same amount of money but suddenly we're going to take care of it, 20 percent of it this year.

Mr. GALVIN. Well, it is, you know, \$4.9 billion is the GAO number, but there are other numbers for sure.

Senator THOMAS. Well, the highway thing, of course, I think we made some progress on that last year and a substantial amount of money that goes there.

Mr. GALVIN. Absolutely, and we appreciate your assistance in that.

Senator THOMAS. What's the role as you develop these movement of funds and so on, now reallocation, what's the role of the business plan in it?

Mr. GALVIN. Well, the business plan is really focused at the park level. And we don't have a good answer to your question yet. But in the 20 some parks that we've done, we've been able to analyze 35 different business activities and get some handle on how they are currently funded, how they should be funded, what the role of project and construction funds play in running a park, and how much partnerships and fringe groups contribute.

In some parks those latter numbers are considerable. They're more than—they're a significant percentage of the park operating budget.

We expect to do an additional 13 parks this year, again, with students from the best business schools in America. And then hope with something like 35 parks done to be able to install a process that would apply to all the parks.

But this is a fairly labor intense process right now. It's not one that you can simply send out instructions and expect a park to do. But it has been, I think, and I think Bruce Sheaffer would agree Bruce has mostly run this program, actually.

I think we've gotten terrific help out of these business schools, and I think it has been very instructive for the parks to work with these people to figure out where, in their opinion, money is going and where it ought to go.

Of course that is being funded through foundations that are brought to us through the National Parks and Conservation Association.

Senator THOMAS. This \$2.4, \$2.5 dollars is budget authority. That's appropriations.

Mr. GALVIN. That's right.

Senator THOMAS. How much addition is there on the contributions that are made outside funding, do you know?

Mr. GALVIN. You mean like foundation funding and partnership funding?

Senator THOMAS. Right.

Mr. GALVIN. I was just at the National Park Foundation board meeting so I can speak to that. They bring about \$70 million to the table. Now, some of that is in-kind services. For instance, the McKinsey study of fees is being done through the Foundation.

Senator THOMAS. That's just the Foundation.

Mr. GALVIN. That's just the Foundation.

In addition then, I can think of individual parks like Independence where currently there is upwards of \$80 million of construction being done that's been funded by Pew Foundation, the State, the city, and the Annenberg Foundation. So there are in some parks very considerable private assets being brought to solve problems.

Senator THOMAS. And some commercial businesses have built facilities, for instance, around Old Faithful.

Mr. GALVIN. Yes, concessioners have made investments over the years.

Senator THOMAS. Not concessions. That was done by Lever Brothers.

Mr. GALVIN. I'm not familiar with that.

Senator THOMAS. Lever Brothers.

Mr. GALVIN. Oh, what they've done there is donated materials for the trails, Unilever, yeah. In fact, that's a project that's active in about 30 parks that use recycled plastic to do construction.

Senator THOMAS. I guess my point is do you ever add up all the resources that are available to the park?

Mr. SHEAFFER. Actually, Senator, the best effort made at doing that has been in the course of preparing these business plans. We have an accounting of every dollar that comes through the Treasury, say, through donations.

What we don't have an accounting of is in-kind services or monies that are spent on behalf of the park but do that come into the Federal Treasury.

Senator THOMAS. Wouldn't it be appropriate for you to note that?

Mr. SHEAFFER. One of the things that we find most useful in the business plan is getting at that very number, that's correct, Senator.

Senator THOMAS. I would think it would have something to do with your priorities in terms of other things, and so on, in the adjudication of Federal money.

Mr. SHEAFFER. I think it does. I think to some extent it already does because I think the folks that are setting priorities, we tend to set priorities at the lowest level. And I think that those parks that have the greatest access to cooperators and money sources tend to not be treated quite as well.

Senator THOMAS. Which is kind of unfair, I suppose.

Mr. SHEAFFER. I understand. All I'm saying is they do play that.

Senator THOMAS. But when you are the financial officer for the whole operation it would seem strange to me that you don't have a pretty definite number of how many dollars that are actually expended in the operation.

Mr. SHEAFFER. It is true that it would be very valuable to have some sense——

Senator THOMAS. Why can't you do that?

Mr. SHEAFFER. Well, we have made attempts in the past, sometimes getting a value on some of these services. And pricing some of these in-kind services becomes difficult and frankly auditing anything they might send us, because of the complexity and vastness of it, is difficult.

But we have tried to gather those numbers up before. In fact, one reasonable accounting that we did do service-wide we provided to you in a list about 2 years ago that was as close as we've come to a comprehensive list, quite frankly. I still think because of the in-kind issue particularly it was probably inadequate.

Senator THOMAS. Yeah, I suppose you have to make some judgment, but you ought to get a hold of the director of the Park Service and see if you can get that done.

Mr. SHEAFFER. It is a significant number. It's not insignificant.

Senator THOMAS. It is. And I ran into it first in a particular park where I was talking about—and the budget I was given did not have those numbers in it. Indeed it didn't even have the highway numbers in it.

Mr. SHEAFFER. Yeah.

Senator THOMAS. If you're going to take a look at the financial condition of an operation, you need to know all of the resources that are available there.

Mr. GALVIN. Actually, as I said, the business plans have shown that that can be a very significant percentage, 50, 60 percent.

Senator THOMAS. That's a good reason to pursue the business plan. I'm excited about that. Of course with that, once the plan is there, you're going to have some oversight and accountability, I would think, mostly at the regional level.

I'm still wondering about that, whether you have sufficient—I mean, you need local autonomy, I understand that. But you also have to have accountability, and it would seem to me the regional people would be the logical ones to do some of that.

Land purchase. What kind of lands are you purchasing when you have a \$2½ billion backlog?

Mr. GALVIN. Most of the land that we purchase—well, all the land we purchase is within the authorized boundaries of parks.

Senator THOMAS. Inholdings?

Mr. GALVIN. Yeah, well, inholdings has sort of a narrow technical definition of inholdings, but I guess in the broader meaning, yes. Santa Monica, finishing up the Appalachian Trail, buying land in parks where not all the land has been bought. Arcadia, Appalachian Trail, Blue Ridge Parkway, Cape Cod, Delaware Water Gap, they are just some of the parks on this year's list.

Harper's Ferry, Haleakala, which Senator Akaka mentioned earlier. Mostly in old-line parks where there is still private property within the authorized boundary.

Senator THOMAS. Well, that's good. I hope they're not mostly extensions. It seems to me it's kind of difficult to justify expansions, new expansions when you don't have the inholdings. Some in Teton Park, I understand, that are likely.

Mr. GALVIN. Yes, we have some acquisition at Teton this year.

Senator THOMAS. Do you—I'm not quite sure I understand how you intend to work with Pricewaterhouse. Is this a contract for them to do certain things, be responsible for certain things, or are they just doing project by project? How do you deal with—

Mr. GALVIN. Pricewaterhouse is under contract to us right now to study our concessions management. It's just the overall how we're doing in concessions management. And what do we need,

what does the Park Service need to do a better job in concessions management?

What they've said to us is that you're adequately staffed by industry standards. You spend about the same amount of money as the industry does to oversee this size of a program in normal circumstances. So if you didn't have all of these contracts expiring at once, you'd be okay.

But with all of these big contracts coming up, you need help. You should—it's not help that you need permanently, it's help that you need on a contract basis.

Now, it's—they are not necessarily going to be the contractors for that. We'll have to go out with an RFP and select a firm for that. But Pricewaterhouse got the contract to look at our concessions management operation.

Senator THOMAS. I presume if you got things going in the long term, you would set it up so that contracts expire periodically and don't all gather up at the same time.

Mr. GALVIN. Right, right.

Senator THOMAS. Now, you haven't given any contracts in 10 years in some parks, so that's part of the reason you're jammed, isn't it?

Mr. GALVIN. Right, that's right, and plus the fact it just happens that a number of 30-year contracts are expiring—have expired in the last 2 or 3, 4, 5 years.

Senator THOMAS. But it doesn't have to just happen.

Mr. GALVIN. No, it doesn't.

Senator THOMAS. You can round it so that they're separate. We suggested at one time that you have some continuing expertise from the private business sector. And I think moving with Pricewaterhouse is a good start.

But if you had a continuation of these things and needed oversight of the commercial end of the park, it would seem like it might make some sense to—I think we talked about setting up sort of a business—

Mr. GALVIN. There is these things called indefinite quantity contracts that put private expertise on retainer, within certain bounds, and you can call on them as needed by simply doing a task directive. I would think that's what we would want to do here.

Senator THOMAS. I would hope so. What would you say—and this is not easy but just with your experience and so on, what are the two biggest, highest priorities that you have for the Park Service?

Mr. GALVIN. Well, one sort of twilight perspective, Carol Aten calls it a death-bed conversion, we really don't know enough about the resources we protect to ensure that we can pass them on to future generations.

And I think that the support that we've had for the natural resources challenge, which ultimately should double the amount of resources we put into that area, although it still will not be a major percentage of our budget, really is an important investment for the future.

And I thank you and the other members of this subcommittee for the research and monitoring authorities that you put in the 1998 bill.

I went to the National Park Foundation board meeting in Yosemite last weekend. I started my career in the Sierras and really love that mountain range.

And you know the greatest thing about parks is, gosh, you watch what people are doing and people from every part of the world in a place like Yosemite on a magnificent weekend, and it's such great stuff. I mean, they're having a good time, the country is beautiful. It's just really important I think in the long run not to forget that too. That the visitor, the experience that the visitor has in parks and the love that is generated for parks is really important in protecting them for the future, too.

And somehow putting that together, the knowledge we gain in parks through our resource protection with the love that people have for parks I think is where we're going to come out in the future. I think it's what gives the National Park Service its support.

But it's nice to go back to a park every now and then and see the fact that, you know, it isn't all snakes and it isn't all problems. It's a lot of people having a very good time loving what they do and learning something on the way.

So I just hope the Park Service and the park system and the Congress continues to support intelligent visitor use of parks.

Senator THOMAS. I agree with you. One of the things we've been doing or I've been doing in Wyoming is a series of meetings where we've urged people to share their vision of where they want to be in 10 years or 15 years, you know. That's kind of what we ought to do with parks is have a vision of where we want to be with our park treasures in the future, then measure what we do in the interim against obtaining those goals.

Mr. GALVIN. We have the national parks advisory board looking at that exactly. I already know one of the things they're going to say. They're going to say we should play a more important role in education in this country. Not that we should replace schools or colleges or anything, but that our programs should be more effective.

We should be developing more programs that use school kids, graduate students, and other things in the ongoing programs or parks. We should become more effective in helping people understand history and biology and, you know, academic subjects, not environmental education.

Senator THOMAS. That's good. Some of us don't go to learn to add, you know.

Mr. GALVIN. You can do both, you can do it all.

Senator THOMAS. I understand. We also have some controversies about the very thing you said. We want to preserve the park, but people ought to have access to it. Even on snow machines sometimes.

Mr. GALVIN. Yeah, that's where the rub comes trying to sort all of that out. And I suspect long after you and I are gone, people will be sitting in this room trying to sort that out.

Senator THOMAS. I wouldn't be at all surprised that's the case. What's the prospect on filling some of the vacancies, assistant secretaries, and those kinds of things?

Mr. GALVIN. I asked some of the political leadership just last week. They said they're very close. I guess they're closer to a direc-

tor of Park Service than they are to an assistant secretary, but are going to wait for an assistant secretary. But I don't have any good names.

Senator THOMAS. Well, I do, but they're not listening to me.

Well, any further questions? We appreciate what you're doing. I hope that—I hope that we can, as we go about our business, take a look at what we've done, and you worked at it, you and your friends also in the 1998 bill, and be sure we implement those things. And I'd like employee education, is that in the budget? Are we able to move out and help professionalize your employees?

Mr. GALVIN. We know that's important. It's fairly thin in this budget, but we know it's important.

Senator THOMAS. Those are some things that I think we need to do. Thank you, sir, for today.

Mr. GALVIN. Thank you, Senator. Thank you, Senator Akaka, for your kind words.

Senator THOMAS. Thank you for your budget, as convoluted as it is. If there's any further comments, we'll include them. And this meeting is adjourned.

[Whereupon, at 3:45 p.m., the hearing was adjourned.]

APPENDIX
RESPONSES TO ADDITIONAL QUESTIONS

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, July 11, 2001.

Hon. JEFF BINGAMAN,
Chairman, Committee, on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Enclosed are responses to questions submitted following the May 8, 2001 hearing on the Department of the Interior's FY-2002 budget request. Thank you for the opportunity to provide this material to the Committee.
Sincerely,

JANE M. LYDER,
*Legislative Counsel,
Office of Congressional and Legisla-
tive Affairs.*

[Enclosure]

RESPONSE OF HON. GALE NORTON TO QUESTION FROM SENATOR MURKOWSKI

Question 1. The FY 2002 budget contains about \$88 million for CALFED, yet Congress has not reauthorized the program. Can you please provide the specific authorizations for this money and explain how they are related to the CALFED program.

Answer. The CALFED Bay-Delta Program assures collaboration of many ongoing Federal and State programs and builds on them. Reclamation and other agencies use existing authorities to fund those programs and manage them in ways that are consistent with the CALFED Bay Delta Program. Reclamation's budget request for FY 2002 includes \$84.7 million for activities that are currently authorized to support the CALFED Bay-Delta Program. In addition, the Fish and Wildlife Service and U.S. Geological Survey are requesting \$9.7 and \$0.8 million, respectively, in FY 2002, for a total Interior Department request of \$95.2 million, to support CALFED Programs. The Environmental Protection Agency, National Marine Fisheries Service and other agencies participating in the Program have also requested funds within their existing authorities and programs that support the CALFED program.

Several statutes authorize Reclamation's activities that support the goals of the CALFED Program (e.g. Central Valley Project Improvement Act, P.L. 102-575). The FY 2002 budget request for Reclamation's Water and Related Resources account and the Central Valley Project Restoration Fund include funds for a number of activities that support Bay-Delta Program objectives and priorities. The President's budget sought funds for each of these programs on their own merits independent of CALFED.

Of the \$20 million requested for FY 2002 in the Bay-Delta account, \$12.5 million will be used to acquire water and other assets and to prepare necessary environmental review documents for the Environmental Water Account pursuant to the Reclamation Act of 1937, P.L. 102-575, § 3406(b)(3) (Central Valley Project Improvement Act), P.L. 85-624 (Fish and Wildlife Coordination Act), and P.L. 93-205 (Endangered Species Act). The balance of \$7.5 million will be used to support CALFED and Bureau of Reclamation program monitoring, implementation performance tracking, and administration pursuant to P.L. 102 575 §§ 3406(b)(16) and 3406(g) (Central Valley Project Improvement Act), and the Reclamation Act of 1902.

The Department of the Interior's CALFED Bay-Delta Program is \$95.2 million, broken down as follows:

Bureau/Account	FY 2001	FY 2002
Bureau of Reclamation:		
California Bay-Delta Restoration	0	\$20,000
Water and Related Resources	\$37,165	30,787
CVP Restoration Fund	20,590	33,952
Total, Bureau of Reclamation	57,755	84,739
U.S. Fish and Wildlife Service:		
Resource Management	1,473	2,473
Land Acquisition	0	7,235
Total, Fish and Wildlife Service	1,473	9,708
U.S. Geological Survey:		
Surveys, Investigations & Research	1,555	782
Total, Department of the Interior	\$60,783	\$95,229

RESPONSES OF HON. GALE NORTON TO QUESTIONS FROM SENATOR BURNS

As you may know, Congress approved a law in the final days of the 106th Congress that authorized the sale of nearly 400 cabin sites at Fort Peck Lake, one of America's largest federally created water projects, located in Northeastern Montana. Under the terms of that law [Title 804 of the Wildlife Refuge Enhancement Act] the suitability for conveyance of each of the cabin sites should be determined by the federal government no later than December 12, 2001 [which is one year from the date that the President signed the law, as otherwise provided for in 804(a)(1)]. Under the law, the process of suitability for conveyance is to be handled jointly by the Army Corps of Engineers [which is the agency currently responsible for leasing the cabin sites] and the U.S. Fish & Wildlife Service [which is the agency responsible for managing the wildlife refuge on lands nearby some of the cabin site lots]. It is my understanding that the Army Corps of Engineers is preparing now to begin its suitability study for conveying the cabin sites at Fort Peck Lake. However, under section 804(a)(1) of the Wildlife Refuge enhancement Act, the Secretary of the Interior is given the authority to concur or not to concur with a determination by the Army Corps of Engineers of suitability for conveyance. It is my hope that all of the cabin sites at Fort Peck Lake will be deemed suitable for conveyance and that the conveyance process can be started as soon as is reasonably possible. With that information as background, I would like to know the following:

Question 2a. Will your agency be able to make its determinations of suitability for conveyance of the Fort Peck cabin sites before the December 12, 2001 deadline?

Answer. We anticipate no problems meeting the deadline. Fish and Wildlife Service staff are in regular communication with the Army Corps of Engineers on this issue.

Question 2b. What assistance, if any, does your agency need from Congress to make determinations of suitability for conveyance for all of the cabin site lots at Fort Peck Lake?

Answer. We do not believe any assistance will be needed. We believe that the law is clear, and we do not believe there will be any unanticipated financial needs associated with making the suitability determinations.

Secretary Norton, with respect to developing a stronger domestic energy policy, the administration has indicated its desire to open appropriate public lands to oil and gas exploration. However, the local officials with agencies such as the BLM and the U.S. Forest Service continue to issue surface occupancy stipulations which effectively preclude development even in instances of valid existing leasehold rights. An example of this is the recent State BLM Director's draft management plan for the Upper Missouri River Breaks National Monument in Montana. In one portion of this plan, the Director reaffirms the policy of honoring valid existing oil and gas leases. In a later portion of the plan the Director indicates that there will be no surface occupancy on soils derived from the Bearpaw shale or the Judith River formation. Since all of the surface within the monument falls into these categories all development is precluded.

Question 3. What are the Department's plans for addressing these inconsistencies in policy?

Answer. The Proclamation establishing the Upper Missouri River Breaks National Monument states that “the Secretary of the Interior shall manage development on existing oil and gas leases within the monument, subject to valid existing rights, so as not to create any new impacts that would interfere with the proper care and management of the objects protected by this proclamation.” As with all Federal oil and gas leases, when an Application for Permit to Drill (APD) is received, an environmental review is conducted and certain conditions may be attached to the APD to minimize adverse impacts to other resource values. The Montana BLM State Director’s draft interim guidance for management of the monument lists conditions that would require closer scrutiny during the environmental review in keeping with the direction mandated by the proclamation. Those listed, however, are not unlike resource values that are considered during APD reviews on any public land (e.g. avoiding active raptor nests, riparian areas, or erodible soils with steep slopes).

The section referenced by Senator Burns was intended to apply to steep slopes in erodible soils as a condition that would cause BLM to give greater scrutiny in an APD review. Bearpaw Shale and Judith River Formation soils are highly erodible. The comment by the Senator is correct in that these two soil types dominate the monument. Since BLM’s concern was limited primarily to these soils occurring on steep slopes, this has been clarified in a subsequent draft of the interim guidance. The reference to Bear Paw Shales and Judith River Formation has been removed, and simple reference to 20 percent slopes has been retained. Final guidance is expected to be released in the very near future.

RESPONSES OF HON. GALE NORTON TO QUESTIONS FROM SENATOR THOMAS

Question 4. We have had a number of maintenance issues across the National Park Service, what is the Department doing to address backlog needs?

Answer. The President has proposed eliminating the estimated \$4.9 billion deferred maintenance backlog in the National Park System by spending \$2.2 billion on facilities and \$2.7 billion on roads over the next five years. The Fiscal Year 2002 budget proposes \$440 for facilities, a nearly 30 percent increase over last year.

In addition to increasing funding for infrastructure, the National Park Service is taking steps to better manage its construction and major maintenance program. In response to a 1995 Department of the Interior task force report, actions have been taken to improve program management and to establish a comprehensive system of accountability and cost controls. For example, ranking of line-item construction projects is being accomplished through comparative factor analysis and is based on the relative advantages and costs of each project in accomplishing Service-wide goals and objectives. In addition, the NPS created a Service-wide Development Advisory Board to review all construction projects to ensure that they would have a high ratio of advantages to costs.

We note that the Park Service manages 384 park units receiving 285 million visitors annually. The infrastructure of the National Park System is extensive, and much of this infrastructure has deteriorated over time. Maintenance and operating funding has not kept pace with the aging of the park infrastructure, increasing park visitation, and—significantly—the addition of new parks. For this reason, the Administration continues to implore Congress to defer action on any legislation that would designate new units within the National Park System during this session of Congress so that the National Park Service is able to make progress on the President’s Initiative to eliminate the deferred maintenance backlog.

Question 5. The National Park Service budget includes a \$20 million expansion for the Natural Resource Challenge, what’s your visions for this program?

Answer. The ultimate goal of the Natural Resource Challenge is to preserve and protect the natural heritage entrusted to the National Park Service by the American public. Focusing on natural resource management is of the utmost importance to the future well-being of national parks.

The Challenge is a 5-year plan of action with these objectives:

1. Implementing active, scientifically-sound management of parks;
2. Getting the scientific community at large involved in providing scientific information and in using the parks as scientific laboratories; and
3. Making the public partners in resource preservation by educating them about the natural resources.

Full implementation of the 5-year plan for the Natural Resource Challenge will position the Service to meet the expectation of the American public that their national parks will be in good condition, both the resources and facilities, now and in the future.

Question 6. In your written testimony you have stated that you will redirect concession fees collected by the National Park Service to address the maintenance back-

log. As a result of inaction by the last Administration, the National Park Service has a severe backlog of concessions contracting work that must be completed under a very short time frame. According to recent Pricewaterhouse-Coopers study the NPS will need all the concession fees available for such use to contract high-level expertise to complete this work. What fees will be going for the maintenance backlog and what fees will be devoted to concession contracting?

Answer. By law, 80 percent of the concessions franchise fees are retained by the individual parks where they are collected, and 20 percent are used to support activities throughout the National Park System. At the present time, the National Park Service is using the Service-wide 20 percent share to address the contracting backlog. In addition, in the 50 parks that have major contracting actions, the park's 80 percent share will be used for that purpose as well.

We expect that the majority of NPS revenues directed to the maintenance backlog will come from the recreation fee demonstration program.

Question 7. We passed legislation in 1998 that revamps the Park Service's concession program to increase competition and the monetary returns to the government. Since then I've been frustrated by the agency's slow progress on the enormous backlog of concession contracts needing to be reissued. Do you believe there are actions that could be taken to address concession contracting?

Answer. The National Park Service faces an unusually large workload over the next several years to address the backlog of expired concession contracts. While the NPS anticipates the award of up to one hundred contracts in the coming year, much additional work will remain. A business plan is being finalized that will establish a more efficient process to develop and execute contracts as expeditiously as possible. In addition, the NPS intends to contract with private sector consultants to assist with this process, particularly with respect to the relatively small number of large and complex contracts that require significant professional expertise beyond the Service's in-house capability.

New concessions contracting regulations were promulgated in 2000. Those regulations represent a major change in the way the NPS conducts its business. A lawsuit challenging those regulations was filed against the Department in the United States District Court for the District of Columbia. Recently, the Court ruled in the government's favor, finding that the regulations are permissible in almost all respects, except for one minor provision.

Question 8. Three rangers have died in the line of duty in the past ten years. In 2000, there were 99 assaults against officers performing law enforcement duties. This is the highest assault rate among all federal law enforcement agencies. Two Congressionally mandated studies and an agency study have made recommendations regarding law enforcement needs. Will the Department commit to addressing law enforcement needs in the National Park Service?

Answer. Yes, we are committed to addressing the law enforcement needs in the National Park Service.

In accordance with P.L. 105-391, the National Park Service prepared and submitted to Congress in March, 2000 the National Park Service Law Enforcement Programs Study, which evaluated the needs, shortfalls, and requirements of NPS law enforcement program. The study was presented in two volumes. One volume addressed the U.S. Park Police program, which has jurisdiction in the three urban centers of the National Park System: Washington, D.C., Golden Gate National Recreation Area in San Francisco, and Gateway National Recreation Area in New York. The other volume addressed the needs of field protection rangers, who are responsible for law enforcement, together with fire fighting, search and rescue, emergency medical care, resource, management, and other services in all other areas of the National Park System.

In addition, following the separate, line-of-duty shooting deaths of two park rangers, the National Park Service commissioned a study by the International Association of Chiefs of Police (IACP). The IACP report looked into five areas: law enforcement readiness, ranger safety, staffing, career development, and policy and written directives. The IACP report was also viewed as a peer review of the March 2000 study.

Each of the studies identified serious shortfalls in the NPS law enforcement programs, not the least of which is safety. We are continuing to review the findings of the studies and are developing an implementation strategy to address the needs identified in the studies.

Over the last few years, land management agencies have institutionalized fire-fighter and public safety as the paramount concern in every fire situation. We now plan to establish the same priorities for our law enforcement workforce and the visiting public. We will continue to update Congress on actions taken to address these issues and progress made towards reaching the goals outlined in the reports.

Question 9. The previous Administration discovered several ways to limit access to our parks and public lands—including snowmobiles. Various types of responsible, recreational access to public lands have become a large part of western life and an essential tourism activity. Snowmobiles have been proven to meet noise and emission standards. Should the Administration continue to work to determine if there's a future for responsible use of snowmobiles in the national park?

Answer. The Administration is committed to providing a variety of opportunities to access and enjoy our national parks, provided that such uses are consistent with the laws pertaining to the National Park System and each park area. It is possible that the use of snowmobiles may be appropriate in some units of the National Park System, but only if it can be shown that such use is consistent with the preservation of park resources and values. The development of cleaner, quieter technology for snowmobiles, and the establishment of noise and emission standards for their use in national park areas could be one factor, among others, to be considered in determining on a case-by-case basis whether snowmobiles are appropriate for park use.

RESPONSE OF HON. GALE NORTON TO QUESTION FROM SENATOR LANDRIEU

Question 10. For the last three years, the Chairman, Ranking Member and I have been working together to enact legislation which would provide a dedicated, reliable and multi-year commitment to conservation programs benefitting all 50 states by reinvesting Outer Continental shelf oil and gas revenues for the protection and enhancement of our natural and cultural heritage, threatened coastal areas, parks and wildlife. Last year, this Committee reported out legislation which accomplished these goals. Would you be willing to work with us to craft similar legislation again this year?

Answer. The Administration is presently reviewing the legislation to which you refer, H.R. 701, the "Conservation and Reinvestment Act," and will communicate its views on this legislation in a separate report. However, I am more than willing to work with the Committee on the issues embodied in CARA.

RESPONSE OF HON. GALE NORTON TO QUESTION FROM SENATOR AKAKA

Question 11. The President's request for the Fish and Wildlife Service includes an additional \$14.9 million to address the conditions of the facilities and infrastructure at our national wildlife refuges. This is a 5 percent increase over FY 2001 enacted levels, and is greatly appreciated. One of my concerns, however, is how the Fish and Wildlife Service will be able to keep up with the demands of increasing visitorship and needs for maintenance of facilities in refuges. In Hawaii and the Pacific islands, the Fish and Wildlife Service is now charged with responsibility to manage 19 national wildlife refuges in our state and other Pacific islands. Palmyra Island and Kingman Reef are the latest additions to the refuges in the Pacific, along with additional responsibilities in the Northwest Hawaiian Islands National Wildlife Refuge. Our lighthouse and refuge at Kilauea, Kauai, has one of the highest visitorships in the country. The expansion of refuge responsibilities in Hawaii and other Pacific islands has caused a growing operational deficit. How will the increases in Fish and Wildlife Service Operations and Maintenance accounts be used to address the needs in Hawaii and the Pacific islands?

Answer. Refuge needs in Hawaii and the Pacific islands were factored into the Administration's budget request.

The President's request includes a net program increase of \$15.0 million for the National Wildlife Refuge system. This includes a net operations increase of \$6.9 million and an increase of \$8.1 million for refuge maintenance. The refuge operations increase includes \$1.9 million to support additional maintenance workers to help resolve critical maintenance needs. The increase for refuge maintenance includes \$2.1 million for annual preventative maintenance projects and \$5.9 million to complete deferred maintenance projects.

The Service identifies and prioritizes operations needs through the Refuge Operating Needs System (RONS). For 2002, one maintenance worker position will be filled at James Campbell NWR in Hawaii with \$75,000 of the requested \$1.9 million for additional maintenance workers systemwide.

Preliminary allocation decisions have not been made yet for the annual preventative maintenance funding.

The Service identifies and prioritizes deferred maintenance needs through the Maintenance Management System (MMS), based upon rigorous criteria and priorities identified by the Department of the Interior. With the \$5.9 million in requested additional funding for deferred maintenance, included in the President's budget, the Service will have a total of \$53.8 million for the deferred maintenance needs of the National Wildlife Refuge System. Within this total, the Service plans to allocate a

significant amount, \$1.9 million, to seven refuges in Hawaii and the Pacific islands as indicated in the following table. Full project descriptions are available in the Service Five Year Plan.

Refuge unit	*COM022*State	Project	\$000
Guam NWR	GU	Rehab refuge shop electrical system	30
Guam NWR	GU	Rehab headquarters restroom	30
Hakalau Forest NWR	HI	Rehab Hakalau cabin	26
Hakalau Forest NWR	HI	Repair 44 miles of fence to control feral pigs	100
Hakalau Forest NWR	HI	Replace Kona Forest Unit radio system	67
Hakalau Forest NWR	HI	Reconstruct 0.5 mile road into Kona Forest Unit.	176
Hawaiian Islands NWR.	HI	Renovate unsafe field camp on Layson Island.	150
Hawaiian Islands NWR.	HI	Replace radios at French Frigate Shoals	52
James Campbell NWR	HI	Replace 6,000 sq/ft storage building	299
Kealia Pond NWR	HI	Replace pump at HQ building	2
Kealia Pond NWR	HI	Replace additional pump	11
Kealia Pond NWR	HI	Rehab 3,000 feet of drainage way	50
Kealia Pond NWR	HI	Replace 225 sq/ft wooden shed	35
Keaha Pond NWR	HI	Repair 3,000 feet of predator control fence ..	146
Kealia Pond NWR	HI	Repair 2,000 feet of additional fence	67
Midway Atoll NWR	UM	Rehab water treatment system	85
Midway Atoll NWR	UM	Rehab 2 bulk oil-storage tank detection systems.	120
Midway Atoll NWR	UM	Modify bulk fuel storage tank containment area.	186
Pearl Harbor NWR	HI	Replace fresh water distribution lines	280
			<hr/> 1,912